

NEWS SUMMARY

GENERAL

BUSINESS

German Interior Minister resigns

Herr Werner Malhofer, West Germany's Interior Minister, resigned yesterday, taking responsibility for errors in the hunt last year for the kidnappers of Dr. Hanns-Martin Schleyer, the industrialist. His action comes two days after his Free Democratic Party suffered a severe setback in provincial elections. Herr Malhofer's misfortunes in office are felt to have contributed to his party's reversal. Back Page

Police in West Germany have claimed their first success in the hunt for the gang which freed an urban guerrilla from jail ten days ago. They have seized a 24-year-old man believed linked with the gang.

Italian killing

Three terrorists, one a woman, shot dead a jail warden in a street in the Italian town of Udine. In Rome, three more suspected urban guerrillas were charged with complicity in the kidnapping and murder of Sig. Aldo Moro, the former Premier, making the number charged to date, Page 3

Troops for Zaire

The U.S. is preparing to fly troops from Gabon and Senegal to join the Moroccan force sent to defend Zaire's Shaba province against any further rebel invasion. President Kaunda of Zambia has made a surprise visit to Zaire for talks with President Mobutu, who has accused the Zambian leader of allowing rebels to pass through his territory. Page 4

Test ban move

Britain and the U.S. are expected to propose a five-year ban on all nuclear testing in negotiations with the Soviet Union in Geneva this week. They hope to speed up the long-running Geneva talks at which the three Governments are seeking to draw up a comprehensive test ban treaty. Page 4

Desai in London

Mr. Morarji Desai, Indian Prime Minister, has arrived in Britain on a three-day visit, during which he will have talks on trade, race relations and nuclear energy. Defending his government's performance in its 14 months in office, he said India had come out of a nightmare into the clear light of the rule of law.

Slow recovery

Princess Margaret is making a slow recovery from her illness and her doctors have advised her to undertake a strictly limited number of public engagements for the time being. Kensington Palace said: The 47-year-old princess went down with gastritis and mild hepatitis six weeks ago.

Living alone

More and more people in Britain are living alone as old-style family ties loosen, according to a General Household Survey. Young people are leaving home earlier, more marriages are ending in divorce and old people who would once have attached themselves to their children's families are more often left to live alone. Society today, Page 22

Act of God

Rev. Edward Bland, 63, who ruptured an Achilles tendon while walking home after an open-air service in Lancashire, has become the first clergyman in Britain to draw sickness benefit for an industrial injury while on parish duty. His claim to the Health Department detailed loss of earnings—six funerals at £7 a time, an £8 wedding and six cremation services in one month alone.

Briefly...

Italy beat Hungary 3-1 in their World Cup Group One match. Hundreds of servicemen's wives marched through London to protest about their husbands' pay. Bus careered over people sleeping on a footpath in Calcutta, killing six and injuring five.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISSES

Exchequer Bills 3% 52d + 1½%
Exchequer Bills 1½% 5½d + 1½%
Comet Radiovision 132 + 6½%
Hay (Norman) 55 + 6½%
Heron Motor 138 + 15½%
McDonald Martin Dist. 45d + 30%
Marchant 220 + 12%
Metal Box 312 + 3%
P & O Dist. 100 + 3%
Philip's Lamps 98d + 37%
Rank Org. 260 + 6%
Savoy Hotel A 57 + 4%
Thomson Org. 255 + 7%
FALLS

FALLS

Amalg. Distilled Prods. 38 - 4%
Camex 64 - 4%
Elson and Robbins 92 - 6%
Martin the Newsagent 242 - 5%
Mills and Allen 153 - 10%
Wedgwood 221 - 11%
Tasminex 70 - 5%

Schmidt leaves way open for package deal on growth

BY JONATHAN CARR : BONN, JUNE 6

West Germany has no immediate plan for further steps to try to boost the economy, Chancellor Helmut Schmidt said to-day. At the same time he left the door open for a decision on new measures this summer.

His remarks, in an interview to forge a wider zone of currency with the West German news agency DPA, strengthened the line held by Herr Schmidt in Copenhagen to seek more growth as part of a package deal with its main trading partners.

Other key elements in the deal would include firm steps by the U.S. to cut oil imports, a pledge by Bonn's partners to resist protectionist pressures, and renewed efforts to counter currency unrest.

The whole could be tied up at the western economic summit conference here on July 16 and 17.

Herr Schmidt did not directly refer to such a deal. But he did cite energy, protectionism and currency matters—as well as efforts to improve economic co-operation between the developed and developing world—as major inter-related problems to be covered at the summit.

In particular, he wished President Carter success with his energy-saving programme, stressing that the President had the power to step in himself if Congress refused to act.

He expected the U.S. would make clear at the Bonn summit that it favoured the scheme to

Better

On the German economy, Herr Schmidt stressed that the emphasis should be laid on medium and long-term strategy rather than short-term efforts which provided only an inflationary boost.

He wanted to wait for the statistics on the economy's performance in the second quarter of the year, believing that these would be better than those for the first three months.

Dr. Otmar Emminger, President of the Bundesbank, has just given a similar view. He thought

it was emphasised that there would be little point in Bonn deciding on supplementary economic measures now, only to come under pressure at the summit to do even more.

Should the performance of the economy as well as the attitude of Bonn's partners suggest that another economic programme is desirable, then both tax relief and direct investment measures are likely to emerge.

The particular aim would be to help those branches of industry and research expected to provide the jobs of the future.

Editorial comment, Page 22

Inflation should stay in single figures—Callaghan

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN told the Commons yesterday that General Election campaign this autumn, that the inflation rate never returned to double figures.

The Prime Minister predicted that the rate would hover for some time between 7 and 8 per cent.

"I would like to see it come down, but I doubt if that is likely," he said.

But the Government's fiscal and monetary policies, together with some moderation in wage settlements, should ensure that it was kept under control.

"I don't see any reason, if we carry out our policies, why it should ever get back to double figures," he said.

Mr. Callaghan told MPs that though an increase in the mortgage rate would be regrettable, the Government would not intervene in any building societies' decision.

It is important that they maintain their own balances properly."

The Prime Minister's emphasis on keeping inflation within single figures reflects his concern that the Conservatives should not be anxious to avoid suspicion of gimmicks or running to the delayed after the end of the any small increase in the retail country at the first favourable present session.

Parliament, Page 10
Mortgage rates, Page 7

reassure the voters that an inflationary upsurge is unlikely to follow any small monthly increase in the index. They also intend to explain fully the effects of various influences on the index.

While this action to protect the Government's position in an autumn election is being taken, Mr. Callaghan has told colleagues that he will not decide the date of the General Election until August.

The Prime Minister, reported to be anxious to avoid suspicion of gimmicks or running to the delayed after the end of the any small increase in the retail country at the first favourable present session.

Land Securities revalues property

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

LAND SECURITIES Investment Trust's investment properties increased in value by £167m last year. A sample valuation of the world's largest property company revealed a 216 per cent rise in values since March 1977, enough to push the value of its property holdings to £932.5m.

This sample valuation, which has not been incorporated into the group's accounts, continues to indicate a strong recovery in property investment values in past year.

Although Knight Frank and Rutley, Land Securities' valuers, have had a powerful influence on the easing of property on the property market in the past.

In 1973 a revaluation to yields since the March year-end, past. In 1973 a revaluation to

yesterday's news provided a mild tonic for the property share sector.

Land Securities' own shares rose 2p to 215p on news of a 21 per cent increase in pre-tax

profits to £263m and on reaction to the revaluation, which would push net assets per share from 225p to 303p.

Land Securities' revaluations have had a powerful influence

for the accounting treatment of development interest charges throughout the property sector.

Results, Page 25
Lex, Back Page

£1.025m followed that November by a further revaluation to £1.305m, marked the peak of the property boom.

One radical departure in Land

Securities' 1977-78 results is its

decision to abandon the practice of treating interest paid to

finance property development as an asset and instead to incorporate it as a deduction in the profit and loss account.

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EUROPEAN NEWS

Spain has \$76m. current account surplus in April

BY ROBERT GRAHAM

SPAIN'S current account balance of payments achieved a \$76m surplus in April. This is the best monthly figure this year and further evidence that on the external front at least the Government's economic measures are working.

The turnaround in the current account has been striking. During the same month last year a \$435m deficit was recorded. The figures for the first four months are even more impressive: the current account deficit was \$27m against \$2.27bn in the same period last year.

The improvement in the current account has caused a substantial rise in Spain's foreign reserves. According to provisional figures these reached a record \$7.2bn in May, compared with \$4.2bn in May, 1972.

In the first five months of this

year reserves have increased to some \$35.5bn by the end of the month, a monthly average of almost \$200m.

This had affected the peseta, which has now recovered some ground since the 22 per cent devaluation last July. The foreign borrowing was \$3.1bn.

The peseta has regained almost 9 per cent against the dollar, while

it has appreciated over 5 per cent against other leading currencies.

The strong reserve position, combined with the continued low level of imports (only 2 per cent up in April), the maintenance of the upward trend in export earnings and projections for a boom year for tourist receipts mean that the current account deficit for 1973 could be below the anticipated \$1.5bn, already a downward revision of an earlier projection.

Unofficial estimates are that the healthy trend in tourist earnings and continued slack on the import side will push up reserves term liquidity problems.

MADRID, June 6.

Irish hope to reopen Ferenka factory

By Michael Lafferty

THE IRISH Government hopes to make an announcement about the re-opening of the former Ferenka steel cord factory in Limerick within the next 10 days. This was said in London yesterday by Mr. Raphael Burke, Ireland's junior Commerce Minister.

The Government has been making strenuous efforts to restart work at the £20m Limerick plant ever since Akzo, the Dutch multinational, unexpectedly closed down its subsidiary's operations in Limerick at the end of last year with a loss of 1,400 jobs. It was the biggest industrial shutdown ever experienced in Ireland.

While Akzo maintained that union troubles had contributed to its decision, the Irish Government claims that the closure arose largely from financial difficulties within Akzo itself.

Mr. Burke refused to reveal the identity of the foreign company which he hopes will take over Ferenka. He was in London yesterday for meetings with 300 senior executives from Britain's largest companies.

He also announced that Ireland is to spend £300m on developing external and internal telecommunications and said that the Government had adopted "ambitious economic growth targets" to be achieved by 1980.

"For example, we plan to expand our manufacturing employment by more than 20 per cent over that period. In turn, will require an estimated investment of £1.5bn in new manufacturing facilities."

A correspondent in Dublin writes: Mr. Desmond O'Farrell, Minister for Industry, Commerce and Energy, confirmed in Limerick tonight that he hoped to be in a position to make an announcement about the reopening of the Ferenka plant within ten days. He told the Financial Times he was not in a position to give any further information. "Negotiations are still at a critical stage."

Central bank starts libel action

BY OUR OWN CORRESPONDENT

THE BANK of Spain has taken the unprecedented step of instituting legal proceedings against a Spanish newspaper for the publication of false sweeping allegations against senior bank officials for their handling of the collapse of the small Banco Cantabrico. Banco Imperial, a right-wing Cantabrico collapsed at the end of January in the wake of the

MADRID, June 6.

Stalemate in Poland-Vatican talks

BY CHRIS BOBINSKI

FOUR YEARS after talks between the Polish authorities and the Vatican began, prospects for normalisation of relations are still remote. This is the lags with the Polish Primate, Cardinal Stefan Wyszyński, both apparent improvement in church-state relations which followed, after a two-week visit to Poland, the newspaper.

WARSAW, June 6.

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Advance Purchase Mon-Thur Excursion Fare Round Trip	£235.50 £246.50*	Reservations made and tickets purchased 30 days prior to date of travel
Budget	One Way £78.00 Return £182.00	Reservations made and tickets purchased 21 days prior to week of travel. Braniff will give you 7 days notice of actual day of departure
Standby	One Way £78.00 Return £182.00	Pay for your ticket on day of departure up to 2 hours before flight departure

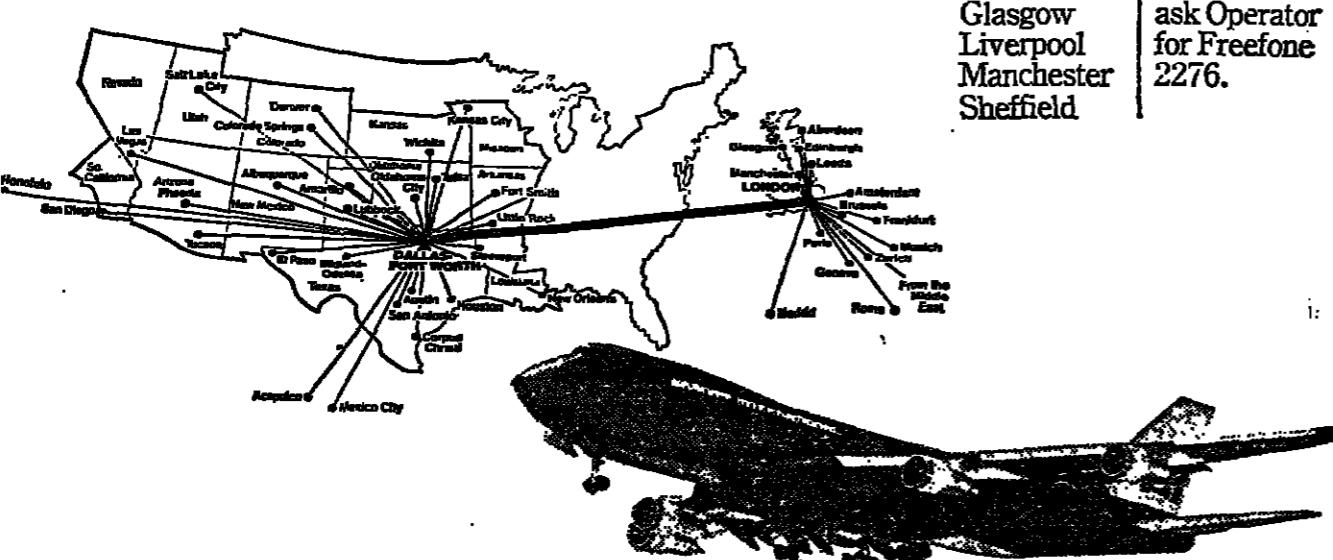
*When travelling from London to Dallas-Fort Worth on Sat. or Sun., end from Dallas-Fort Worth to London on Fri. or Sat., add weekend surcharge of £3.00 each way.

1 During the period 1st July-30th Sep. peak season rates apply to Economy, Apex and Budget Fares.

Leave London Gatwick 11.45am
Arrive Dallas-Fort Worth 3.05pm
Houston 5.50pm
San Antonio 5.45pm
Oklahoma City 5.00pm
Tulsa 5.10pm
Denver 5.30pm
Kansas City 6.40pm
Mexico City 7.50pm

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EEC to open Portugal negotiation

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

EEC FOREIGN Ministers agreed today to open "as soon as practically possible" formal negotiations with Portugal on its application to become a full member of the Common Market.

In practice, this is expected to mean that the talks will start in September or October, after the Communists' summer break. This timing is acceptable to the Portuguese Government, which would like to link the start of negotiations with the publication of its new medium-term economic programme in the autumn.

Portuguese financial aid before EEC entry, have yet to be decided.

But he acknowledged that it might be difficult to ensure that the admittance of the two countries coincided, and said that EEC should not attempt to foist such an arrangement on the applicant countries against their will.

Dr. David Owen, the UK's Foreign Secretary, said today that on its formal opinion that while it was important to treat each negotiation separately, this was submitted to the Council of Ministers.

It is still not clear how long the negotiations will last, and the timing of Portugal's eventual accession to the EEC will relate to that of Greece, which has been negotiating for almost two years.

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French industry told not to 'abuse' price freedom

BY DAVID CURRY

THE FRENCH Government has notable exception despite the ample by causing the public at retail prices this year by warning of variety over the likely rise in October 15.

While welcoming the move in addition to the new prices, the generally, industry has been regime and the recent measures pressing for the service sector, to encourage the flow of savings particularly that closely linked into industrial investment. M. Ceyrac, the head of the manufacturing, to enjoy a Francois Ceyrac, the head of the similar freedom.

It has also complained that the late revaluation of balance sheets, very sharp increases in public the doubling of the tax bonus on sector tariffs for electricity, the dividends to 100 per cent, and work, and the postal service not industry to reduce the real cost only immediately increase costs of borrowing for French companies to fix its own prices.

The warning comes in letter from the Industry Minister, M. RENE Monory, to the heads of the three main employers organisations: the Patronat, the small business organisation, and the Association of Chambers of Commerce and Industry.

At the same time the President of the Competition Commission (Commission) has been told by the Prime Minister, M. Raymond Barre, that the resources of the Commission will be substantially increased next year.

Following a 1.1 per cent retail price rise in April and the uncertainty that, under the impact of sharply higher public sector prices, the monthly indices will continue to be bad throughout the summer, many commentators are expecting price inflation to be above 10 per cent in 1978.

The Government is trying to limit the rise in the cost of living (except for a relatively small increase at the bottom of the scale) and does not want to "get caught" in a price-wages spiral if companies and unions

think that they can pass on higher wages in price rises.

Hence, M. Monory's letter reminds companies particularly that they should pay attention to the growth of their wage bill and should keep a very careful eye on their costs in order to be able to maintain price increases to the most modest level possible.

He notes that industry had reassured him that price increases under a system of total freedom would not be more severe than under the regime of price control.

The Government is pledged to set free the bulk of industrial prices (petrol products is a unrest has come too close to the

Police clear out strikers occupying Renault plant

BY OUR OWN CORRESPONDENT

RIOT POLICE and gendarmes cleared strikers from the heavy workers press shop at the Flins plant in sympathy action.

The unions appear to be thinking on the same lines. They have doubted their appeals to the company to start talking

its intention of standing firm and have called for little more

against demands for sharp increases in salary.

But while the strikers in the plant numbering fewer than 100, the majority of them immigrants, at the time of the strike, installed pickets to close the plant, and presumably the company will call on the police to remove them if they do not depart voluntarily before

they would obey a court order to leave the factory by mid-morning tomorrow.

At Cleon there is also a strong immigrant element among the strikers, but classification and grading seems to be a more immediate issue than pay. There is little sympathy action in other factories, apart from sporadic stoppages at Douai and Sartouville.

The company, which says that to concede the pay demands for a FF 3,000 a month minimum wage plus FFY 300 a month all round would make its vehicles uncompetitive, reckons that the soon after its launch.

PARIS, June 6.

TERRORISTS

shot dead a

senior prison guard in the

northern town of Uzige today

only 24 hours after Rome

judicial authorities charged six

people with alleged involve-

ment in the kidnapping and

murder of Sig. Aldo Moro, the

former Prime Minister.

Two extreme left-wing

groups, the Red Brigades and

the so-called "Armed Nuclei

for Communism," simulta-

nously claimed responsibility

for the murder of the prison

officer, Sig. Antonio Santoro.

Sig. Santoro was chief guard

at Uzige jail, where Red

Brigades members have been

held and which has recently

been involved in a scandal con-

cerning a drugs racket inside

the prison.

Meanwhile, Italy's main politi-

cal parties are involved in the

last stages of the campaign for

the two referenda promoted by

the small Radical Party to be

held on Sunday.

The main parties are present-

ing a united front against the

Radical proposals to abolish

current public order legislation

and the law concerning the

public financing of political

parties.

The Christian Democrats and

the Communists are particu-

larly keen to see a large turn-

out on Sunday, when the

Radical proposals are generally

expected to be defeated. A

large turnout would be re-

garded by the main parties as

psychologically important for

in which the Communists

directly support a Christian

Democrat minority Govern-

ment.

In view of the referenda cam-

paign, the Prime Minister, Sig.

Gualio Andrade, today post-

poned a Cabinet meeting

originally scheduled for

Friday until next week. The

Cabinet meeting was expected

to consider a second pack-

age of measures to cut the

public sector deficit to about

124,000bn (£15bn) this year.

On a turnover of FF 290m, and

has been struggling for months

with redundancies and factory

occupations.

With so many companies

making losses, there is a notable

change of "fairy-godmothers

provided by an order book up 40

machine tools being used in

the industry.

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OVERSEAS NEWS

Israel sets conditions for Lebanon withdrawal

By Ihsan Hijazi
BEIRUT, June 6.
ISRAEL HAS set conditions for its withdrawal from the rest of southern Lebanon next Tuesday. According to reliable sources, the Israelis insist on maintaining four permanent military outposts inside Lebanon's territory to ensure there will be no infiltration into Israel by Palestinian guerrillas.

The sources said the Israeli terms were conveyed yesterday to Lebanese officials by Lieut.-Gen. Ennio Silius, who is chief co-ordinator of the UN peace mission in the Middle East. He met Prime Minister Dr. Selim Al Hoss, Mr. Fuad Butros, the Foreign and Defence Minister and Major General Victor Khoury, the army commander.

Lebanese officials were reported to have declared that all territory in southern Lebanon must come under Lebanese sovereignty and control and that Israel should not obstruct this mission. The Lebanese reaction was carried back to Jerusalem by General Silius, who is expected to return here on Saturday.

The Government has been busy making plans for despatching reinforcements to southern Lebanon to assist UN troops there when the Israeli pull out.

President Sarkis decided to go ahead with the plans despite objections from right- and left-wing factions alike.

The Israelis, in another conference, reportedly said that only UN troops will be posted in the "security belt" which Israel occupies inside Lebanon and which it is supposed to give up next week.

It is an eight-mile-wide strip extending from the Mediterranean coast to the foothills of Mount Hermon in the east.

Observers said Israel's purpose is two-fold: first, to retain a close relationship with the Lebanese Christians in the enclave next to the Israeli border; and second, to maintain the so-called "good fence" with Lebanese border villages.

David Lennon writes from Tel Aviv: Israel is strongly opposed to any move southward by the 30,000 Syrian troops stationed in Lebanon after the Israeli army's final withdrawal next Tuesday.

Officials here say Israel has not received any communication from Damascus about the possible future deployment of Syrian troops. However, there are reports that Syria has spoken to the Lebanese Government and the UN commanders about the possibility of moving its troops down to the Litani River.

Saudi budget foreshadows higher level of spending

BY ANTHONY McDERMOTT IN LONDON AND JAMIE BUCHAN IN JEDDAH

THE newly-announced Saudi budget surpluses and hence a further growth in their foreign currency reserves.

At the same time some doubt remains whether Saudi Arabia will meet its expenditure allocations and thereby sustain a desire to keep some control over the size of the global oil glut.

Appropriations indicate that 66 per cent of expenditures are allocated for development projects, but concealed defence spending last year totalled

£1.25 billion (US\$2.4bn) for 1978-79.

At this time the figure has exceeded the level of SR 111bn budgeted over the past four years.

Revenues are estimated at SR 130bn, of which SR 118.1bn or 88.5 per cent is to come from oil.

Even so the expenditure figure has been cut by SR 15bn from the original estimates submitted by the Ministry of Finance and National Economy. An Assistant Deputy Minister said yesterday that the lower figure had been approved both because of doubts over the absorptive capacity of the economy and the willingness of ministries to spend their allocations. This indicates clearly that Saudi Arabia has no wish to see

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is based on an estimated produc-

tion of 2.4 million barrels a day

and unchanged oil revenues.

While the latter at present seems

likely for this year—as Saudi

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LEYLAND VEHICLES. THE BEST IN THE LAND.

We produce a range of eight agricultural tractors. And over 70% are sold abroad. They've helped us to earn a world-wide reputation for building the very best commercial vehicles.

Last year alone, we made over 30,000 trucks, buses and tractors. And we exported over half of them.

You probably know us better as Leyland Truck & Bus. But now we're called Leyland Vehicles.

We're investing over £130m in new research, development and manufacturing facilities.

We're planning a completely new range of trucks and doubling heavy truck production capacity. And we're expanding and fully computerising our truck parts back-up.

So, our service network will not only be the biggest, it'll be the most efficient in Britain.

We're doing what we've always done best. But we're doing it better than ever.



Leyland Vehicles. Nothing can stop us now.

Champagne victory goes to French producers

By Kenneth Gooding

FRENCH PRODUCERS yesterday emerged victorious from the eight-year court battle over the use of the word "champagne".

Showerlings, the Allied Breweries subsidiary which for many years described its Baby-champagne as "a champagne perry", agreed that it will not use the description in future except for wine made in the Champagne district of France or champagne Cognac produced in accordance with French law.

This was the main point to emerge from an agreed settlement reached in the High Court yesterday. Showerlings and the champagne producers will pay their own costs, unofficially estimated at more than £100,000 each.

Common sense

M. Joseph Dargent, head of the champagne industry's governing organisation, the Comité Interprofessionnel du Vin de Champagne, said in London after the brief hearing: "This is a triumph for common sense."

"The champagne trade is extremely glad to have resolved this dispute in this way and welcomes the spirit of co-operation which has led to this mutually agreeable conclusion."

In future, Baby-champagne will be described as a sparkling perry, an arrangement which will apply anywhere in the world where the brand is or will be sold.

Cigarette jobs lost

By Lynette McLain

THE four-year-old Cigarette Components factory at Burnley is to close in August, with the loss of 80 jobs, and the company has called for 300 voluntary redundancies at its Jarrow works on Tyneside.

The company, part of the Bauli group, blamed a fall in cigarette sales and changes in British tobacco tax to harmonise with the tax in EEC countries.

Taxing the finished price of a product had led to a change in purchasing habits said the company. Sales of king-size cigarettes had risen and put the smaller brands.

NEWS ANALYSIS—CIGARETTE PRICES

Policy

BAT moves to smoke out British rivals

By STUART ALEXANDER

THE call by Mr. Kirkland Blair, managing director of Carreras-Rothmans UK, for a responsible attitude to pricing of cigarettes and less "wheeling and dealing" coupled with the announcement of price increases, must have sounded ironic to some in the tobacco trade.

Rothmans has been playing the numbers game in the two years in which the UK market has been coping with a price cut, and a major change in the taxation system.

It has carefully timed its entries with selective price cuts, while goading its bigger competitors by dropping gift coupons and pulling out of spots-sponsored ship to pass on the savings to the consumer."

Rothmans has been regarded by many as something of a cowboy on the cigarette marketing scene and has gradually built up its share of the UK market from 6 per cent to 12.15 per cent.

Its price cutting policy on all sizes of cigarettes has not damaged the status of Rothmans King Size. It has worked hard on exports and last year opened new plant in Darlington.

This spring saw British Ameri-

Benn rejects special tax on natural gas

By RAY DAFTER, ENERGY CORRESPONDENT

MR. ANTHONY WEDGWOOD BENN, Energy Secretary, has rejected the idea of imposing a special tax to bring the price of coal and oil in line with the cost of natural gas more in line with other fuels.

A gas tax, as proposed by the coal and electricity industries, would be "implied" to both gas consumers and the gradual long-term rationalisation of fuel prices he said yesterday, after the issue had again been discussed by the Energy Commission.

The Commission — a body set up to advise the Government on energy policies — had found the fuel-pricing question one of its most difficult problems.

In a paper discussed yesterday, Sir Francis Tombi, chairman of the Electricity Council, claimed that Government policies favoured the gas industry, for instance.

British Gas Corporation had been given exclusive access to North Sea gas and this had enabled the undertaking to pur-

chase supplies at an annual cost of some £1bn less than if it had bought prices related to the cost of coal and oil, he said.

After the meeting, Mr. Benn said that he could now see a way through the problem. In many ways normal market forces were bringing the prices of fuels more in line with each other.

"I am trying to look for an agreement over a period of time. The problem doesn't lend itself to dictat." It was not in the interest of anyone in the energy industry to prejudice one fuel because of short-term fluctuations.

Natural gas, while cheaper than other fuels at present, would become more expensive in the long term. In contrast, coal would become relatively cheaper over the years.

UK coal was the cheapest in the Common Market. British coal was subsidised 50p a tonne while that the subject would be discussed again in the autumn.

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HP cash up 12.5% during April

By DAVID FREUD

HIRE PURCHASE rates rose sharply in April, a clear indication of increasing consumer confidence.

The signs were reinforced by an equivalent rise in rates of durable goods.

New credit extended by finance houses and retailers in April was 12.5 per cent higher, seasonally adjusted, than in March, the Department of Trade said yesterday.

On a longer-term scale, total advances in the latest three months were four per cent higher than in November.

There was a small upwards revision in the final total for April retail sales. The volume index was 106.7 (100=1971, seasonally adjusted), compared with the provisional estimate of 106.5.

This was only a slight drop on the index figure of 107 recorded in March, itself the highest since August 1976.

Taking the last three months together, the volume of sales was 1.6 per cent higher than in November-January, reflecting the additional spending power since the beginning of the year.

The societies are due to meet on Friday and it is expected that the steady increase in the volume of sales and hire purchase agreements since December tends to confirm expectations that a strong consumer boom will develop from about next month.

Retailers believe that their forecasts of a 5 per cent volume gain in sales from 1975 to 1978 for the Government to act to prevent any rise in the cost of home loans.

The underlying factor in the buoyant sales is the increase in personal disposable income.

He asked the Prime Minister

Accountants renew attack on local authority audits

By DAVID CHURCHILL

THE ROW between two major accountancy bodies over local authorities' standards of accounting was revived yesterday.

Mr. Brian Maynard, ICA president, yesterday tried to lower the heat of the row when he told the annual meeting that the resolution did not imply criticism of CIPFA, but Mr. Jeremy Cripps, the motion's proposer, stressed that he was attacking CIPFA.

He described CIPFA criticism of his motion as "hysterical" and an "unprecedented attack" on the Institute.

CIPFA, however, maintains that "there is a degree of openness and accountability in local government."

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HOME NEWS

Engineers' training 'blocked by unions and employers'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

ENGINEERING UNIONS and employers were accused yesterday of blocking the advance of manufacturing industry by preventing young engineers from being trained effectively.

The charge was made by the Engineering Professors' Conference, the major representative body for the 400-plus senior academics in university faculties of technology, at a London meeting to introduce its evidence to the Farnsfield Inquiry into the engineering profession.

"If things are to continue as they are at present," said Prof. Arthur Shercliff of Warwick University, "we really should be teaching our students German and French and pointing them in the direction of the Passport Office."

The professors claimed that the unions, abetted to a greater or lesser extent by the Engineering Employers' Federation, were blocking the production of first-class manpower in three main areas:

• Preventing students from gaining the real shop-floor working experience which is an essential element of effective education.

• Blackening the "career image" of manufacturing as they are, seen often to have been enacted with sufficient regard being paid to their effects on industrial performance and competitiveness."

As well as "positive steps" by unions, employers and Government to overcome such obstacles during a break after the first year of work in industry either by practices and attitudes which restricted pay prospects of professional staff and entangled them for much of their time in activities such as inter-union disputes having nothing to do with engineering.

• Discriminating against the small unions, such as United Kingdom Association of Professional Engineers, designated by the Council of Engineers as the institutions that are most appropriate for professional members.

"It's as daft to want to merge professional engineers into the big unions as it would be to say that since the Transport and General Workers' Union is the law," said Professor Alex Chisholm of Salford University.

The professors' evidence to the Farnsfield Inquiry accused the Government of helping to mar the image of engineering as a suitable career for enterprising young people.

Students accepted for engineering degree studies in future should be divided, preferably at the three-year studies would be developed there also, we believe much of the recent social, least a year after starting their largely the province of the industrial and tax legislation, course, into A and B profiles.

and successive pay policies, well-intended as they are, seem to have been enacted with students would then pursue an extended course of four years' study on industrial performance and competitiveness."

A year of work in industry either by practices and attitudes which restricted pay prospects of professional staff and entangled them for much of their time in activities such as inter-union disputes having nothing to do with engineering.

Present selection of students for degree courses, based on the GCE Advanced-level results, was unlikely to be a reliable device for finding youngsters with the right abilities for "high quality" engineering work as defined by industry.

The production of appropriately skilled engineers through the education system was there fore far from guaranteed unless the country first developed more effective measures for identifying students with the qualities necessary for practical engineering work.

Students accepted for engineering degree studies in future should be divided, preferably at the three-year studies would be developed there also, we believe much of the recent social, least a year after starting their largely the province of the industrial and tax legislation, course, into A and B profiles.

Oil tanker 'accident' planned

Financial Times Reporter

THE Government is to simulate a major oil tanker accident at Milford Haven, Dyfed, on Friday.

A very large crude carrier, up to 400,000 tons deadweight, will simulate a collision with a passenger ferry.

Exercise Blackwatch will test contingency plans for coping with a major disaster involving air-sea rescue and severe oil pollution.

RAF helicopters will rescue "survivors" from the ferry after it has "sunk" and Royal Navy units will carry equipment to the disaster area. Local authority oil pollution officers will deal with beach areas assumed to be

polluted.

The contingency plan comes a week after navy divers sank the Greek tanker Eleni V, which was a pollution source for 24 days after being split by a French vessel.

The Prime Minister has asked for a report by July 1 of events leading to the sinking.

New export control order

THE DEPARTMENT of Trade has made a new Export of Goods (Control) Order 1978, which will come into operation on July 3.

Hildreth tells Tories to give country greater leadership

BY JAMES MCDONALD

THE CONSERVATIVE Party must "wake up" and give the country greater leadership if it is to win the next election, Mr. Ian Hildreth, director-general of the Institute of Directors, said in London yesterday.

Speaking at a conference of Canadian and British businessmen, he asked for clearer thinking and decisive attitudes on crucial issues. "The British public must not be misled by the illusion of economic recovery in the run-up to the next election.

"However much the Prime Minister and the Chancellor of the Exchequer try to disguise the situation, the reality is that the economic future looks very bad," Mr. Hildreth said.

"The evidence available from our members makes clear that the current mini-spending spree, both by the public and by the Government, is obscuring the reality of our economic future.

"That reality suggests that in a few months' time we are in for another sharp burst of inflation, while unemployment persists at levels unprecedented since war."

Industrial output, Mr. Hildreth added, was running at a deplorably low level, no higher

Lord Chancellor greets new Patents Courts

LORD Elwyn-Jones, the Lord Chancellor, yesterday presided at a ceremony to mark the setting up of London's new Patents High Court status. The right of audience of patent agents and solicitors would be preserved, he said.

European patent judges, Mr. Sam Silkin, QC, the Attorney-General, Mr. Peter Archer, QC, the Solicitor-General, and members of the Patent Bar and patent agents attended the ceremony.

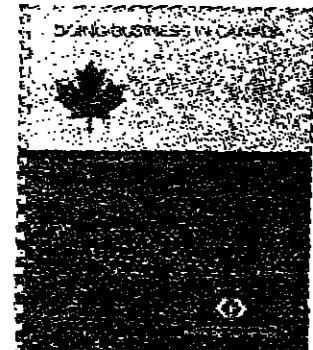
Lord Elwyn-Jones said that the new court had been set up to bring together the changes of the last ten years, and to help deal with patents on a rational international basis.

The Patent Appeal Tribunal would be of service to industry and would disappear and appeals

Ten questions businessmen ask about Canada...

- 1 What are the regulations concerning agents who might handle my business in Canada?
- 2 What are the laws regarding the expatriation of profits or service fees out of Canada?
- 3 Can application to open a company or form agencies be made on a federal level, or do these have to be applied on a province by province basis?
- 4 What are Canada's tax laws, and how do they apply to international companies?
- 5 What government grants are available to help set up companies such as in slow growth areas? Are such grants available to international companies?
- 6 What is the effect of Canadian customs, laws and practices?
- 7 What is the procedure for applying for import licences, registration etc?
- 8 What existing Canadian labour legislation should I know about?
- 9 Are there any professional organisations, or chambers of commerce which can help supply information?
- 10 Can a large international bank like the Bank of Commerce offer local expertise and financial resources to help me in setting up my business?

...one answer



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Head Office - Commerce Court, Toronto M5L 1A2, Canada. European Operation Office - 42 Moorgate, London EC2R 6BP. Assets of over \$32 Billion and over 1,700 branches in Canada, branches or representative offices in major business centres worldwide.

Companies face sanctions charges

FINANCIAL TIMES REPORTER

TWO COMPANIES in the Lucas Industries motor components group yesterday faced a series of Rhodesian sanctions charges in Aylesbury magistrates' court.

Both the public and private housing sectors continued to show the improvement in work levels which started earlier in the year. Builders started work on 10,700 public sector houses during April against 8,500 in the previous month, making it the best month for this type of house building since October.

At the same time, contractors started work on 14,700 homes for the private sector against 12,200 in March. The April total was the highest monthly figure since September. The combined total of 25,300 was the best since last September's figure of 22,206.

The Customs and Excise Department applied to commit the companies and two company officials, for trial at Aylesbury Crown Court.

All the charges relate to events alleged to have taken place between February 1975 and June 1976. Lucas Service Overseas faces six charges of agreeing to supply goods destined for Rhodesia without an export licence, and seven charges of evading the sanctions.

There are two charges against CAV, with Lucas Service Overseas of agreeing to supply goods worth a total of £18,492 to Lucas Service (Pty) of Johannesburg without an export licence. CAV commercial manager, Mr. John Edmund Maund also faces these two charges.

Mr. Thomas Graham Lock, director and general manager of Lucas Service Overseas, is charged with one offence under the Customs and Excise Act.

At a previous hearing Mr. David James West, a Lucas Service Overseas area manager, was committed for trial on four similar charges.

Reporting restrictions at yesterday's hearing were not lifted. Commitittal proceedings are expected to go on today and tomorrow.

HOME CONTRACTS

Oil meter kits for North Sea platforms

KENT INSTRUMENTS (member of the George Kent Group) has now been heard by the Patent Court, which had full

High Court status. The right of audience of patent agents and solicitors would be preserved, he said.

The judges of the new court, Mr. Justice Graham and Mr. Justice Whitford, would have to deal with work of great complexity and would have to interpret the European Patent Convention. They will have increased jurisdiction.

Lord Elwyn-Jones said that the system would ensure the encouragement of inventions and would be of service to industry

able for the measurement of field

signals over the complete range while wide range

antennas can be supplied for mobile or fixed surveillance roles.

TAYLOR WOODROW CONSTRUC-

TION (NORTHERN), of Darlington, has been awarded a £10.8m contract by the North West Water Authority for the construction of

an order to build wing flap sections for 707 aeroplanes. The

orders total nearly £2m. C. F. Taylor (Holdings) is a subsidiary of EIS.

Fourth stage of the development

of the Kingsland Squash Club

has started. It will include eight

squash courts with four glass-

enclosed courts, one with audi-

torium and spectator seating. In

addition there will be fitness,

weight training, table tennis and

committee rooms, changing and

shower accommodation, car park-

ing and landscaping. The work,

worth £235,000, is on a design

and construct basis by G. PERCY

TRENTWALL.

APV PARAMOUNT, Crawley, is

to supply 152 reformer tube

assemblies worth £224,000 to

GKN Birwelles for reformers for

Syndicate Canada.

BRITISH FURNACES has an

order from Cam Gears to install

a complete continuous heat treat-

ing plant for commercial vehicle steering gear components.

STEIN ATKINSON STORDY,

Wom Bourne, has received an

order from The Wednesbury Tube

Company (member of the

Glenside Group) for a two-tonne

hour continuous gas-fired roller

hearth furnace to bright anneal

copper tubes.

The Financial Times is proposing to publish

a Survey on Accountancy on Thursday June

29 1978.

The main headings of the provisional

editorial synopsis are set out below.

INTRODUCTION

THE STATE OF THE PROFESSION

INFLATION ACCOUNTING

ACCOUNTING STANDARDS

THE NEW AUDITING STANDARDS

THE NEW EEC DIRECTIVES

THE REGULATION PROBLEM

EDUCATION + TRAINING

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

House building shows rising trend in April

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

WORK STARTED on more new houses in April than in any month since September, according to provisional figures from the Department of the Environment.

Both the public and private housing sectors continued to show the improvement in work levels which started earlier in the year.

The Department also said yes-

terday that in the first quarter of this year the number of private homes finished

of 12,100 in March.

The Department calculates that, in the February-April quarter, total

completions were down 9 per

cent on the previous three

months and 5 per cent lower than a year earlier.

Conversions

The Department also said yes-

terday that an estimated 25,000

homes in England were con-

verted or improved during the

first quarter of this year with

the aid of grant or subsidy.

Troubled mine gets £20m. more

By PAUL CHEERSRIGHT

NEARLY £20m will be injected into their troubled loss-making Cleveland potash mine at Boulby, north Yorkshire, this year, by Imperial Chemical Industries and Charter Consolidated.

So far about £100m has gone into the mine—£40m representing operating losses and the rest in capital costs. The mine is still producing at only 40 per cent of capacity.

Plans for the injection were disclosed yesterday by Mr. Murray Hofmeyr, chairman of Charter. His group's annual figures show provision of £7.5m against the investment in Cleveland Potash.

In the year to last March, production was doubled, but the operation remains below the break-even point.

Latterly there has been a deterioration in industrial relations at the mine, checking a build-up in production which took place in March and April. "There is nothing holding back the mine except getting everybody to work together," Mr. Hofmeyr said.

This, Britain's only potash mine, represents the largest single investment in the UK mining sector, started production in 1973 but has never lived up to the expectations of the owners.

Solved

Early problems included the undulating nature of the potash seam, which varied in width and richness. The mine remains gaseous—a blow-out last August caused a death—its temperature is high, especially so to mine workers coming from a country with no tradition of underground work.

Many of the technical problems have now been solved. Over the past year wider seams have been mined, and the ore grade has been higher. A drilling technique, which pushes up to 1,000 metres ahead of the workings has indicated the quality of ore to be found.

More sophisticated mining machines have been introduced. They gouge into and clear out the rock, reducing the need for explosives.

In March and April output exceeded 80,000 tonnes. More normally, the output has been around 20,000 tonnes a month.

Prospects of bringing back production to the March and April level and then improving on it are seen by management as depending on an improvement in industrial relations. Negotiations on pay and an incentive scheme are expected soon.

Meanwhile, labour turnover remains high. Some 40 per cent of the mine's employees—now numbering nearly 1,200, have been on the payroll for less than a year. Absenteeism has increased in recent weeks.

At the same time, potash prices have gone against the operation. At around £13 a tonne they are less than a year ago, while currency fluctuations have cut revenue. Few of the world's potash mines are making money under present conditions.

The Department has not released details of the exact level complained to their MP, who told of refunds, which vary according to the Ombudsman that they had

Ebbw Vale plan to boost tinplate output

By ROY HODSON

BRITISH STEEL Corporation plans to invest a further £106m on tinplate production at Ebbw Vale, South Wales, where a £57m tinplate plant was opened yesterday, are believed to be regarded sympathetically by the Cabinet.

Such a development, in an area with a 16 per cent unemployment rate, would not necessarily conflict with EEC restrictions on higher steel output. A tinplate development at Ebbw Vale would be classed

as a "downstream" operation to improve the quality of raw steel production by British Steel.

Mr. Michael Foot, Lord President of the Council and MP for Ebbw Vale, said yesterday that he believed that the Government and the corporation could be on the "verge" of decision about the future expansion of Ebbw Vale tinplate production.

The development, opened yesterday, will provide an extra

100,000 tonnes a year of high-quality tinplate for the canning markets at home and overseas.

British Steel produced 1.1m tonnes of tinplate last year, and will raise sales to 1.3m tonnes this year. Tinplate is proving to be one of the few growth sectors in the iron and steel market.

The £106m future investment now being discussed for Ebbw Vale would provide several hundred new jobs

Scandinavia air pact talks in August

By MICHAEL DONNE, AEROSPACE CORRESPONDENT

FURTHER TALKS on a new Britain offered to open all UK-Anglo-Scandinavian air services cities with international airports agreement will be held in to scheduled flights from all August, after the failure of a Scandinavian international air recent meeting in Oslo to parts—in effect creating a new settle outstanding differences on "free trade area" in civil aviation such matters as new air routes and future fares levels.

The Scandinavian countries gave one year's notice of termination of the existing agreement late last year. Unless a new pact can be settled by December 31, air services between the UK and Scandinavia technically must cease from January 1.

Although the present discussions have been slow, the UK hopes that a new agreement can be reached in time. The UK market provides gross revenue of £36m to UK scheduled airlines, primarily British Airways, with another £4m in charter revenues.

It is more valuable to the Scandinavians, however. Their joint airline, Scandinavian Airline System (SAS), earns £30m a year on scheduled flights to the UK and another £8m from charter operations.

Total business worth £88m a year is at stake, and this is expanding at about 9 per cent a year.

UK negotiators at the Oslo meeting made some big concessions to the Scandinavians, but were disappointed that these were not discussed at any length.

The UK, for example, considers that it would be justified in asking for separate discussions with Denmark, Norway, and Sweden, but has agreed to negotiate a new bilateral pact with the three Scandinavian countries together.

This suggestion the UK rejected outright.

It is expected that a meeting will be held before August to discuss the question of cheaper air fares between the two areas.

The UK's view is that present rates are too high, and that some reductions should be made with a view to boosting traffic. No date has been fixed for this fares meeting.

Go-ahead for iron pipe plant

Financial Times Reporter

BRITISH STEEL Corporation is to go ahead with an £18m development for the manufacture of large diameter ductile spun iron pipes by Stanton and Staveley, part of the Tubes Division.

The project is due for completion by mid-1980, and the main feature will be a new spun iron pipe plant at Stanton Works, near Nottingham.

This will cost about £16m, and will be backed by a £2m development at Staveley Works, near Chesterfield, to make large diameter pipe fittings. The scheme will create 135 extra jobs.

The new equipment, on a site alongside the central melting plant at the Stanton Works, will be capable of making 55,000 tonnes of spun iron pipes a year, with a maximum diameter of 1800mm (over 5 feet), and up to eight metres long.

The corporation says that this will meet a growing demand in the home and export markets, by more than doubling the existing plant capacity, and widening the product range by producing pipes of larger diameter and longer lengths.

To support the plant, the foundry at the Staveley Works will be modernised and upgraded to produce the larger fittings required.

Finishing and coating plant, computer-controlled, will be included in the new production line. This will line and coat the iron pipes with concrete.

Government refunds road tax to 100,000 motorists

By DAVID CHURCHILL

THE GOVERNMENT has re-opened the type and length of licence funded about £1m to almost 100,000 motorists who claim they figure is believed to be approximately £100,000. The refunds were offered by much road fund licence at the time of the March, 1977, Budget. The refunds were offered by the Department after criticism by the Parliamentary Ombudsman.

Nearly 206,000 people applied by the Department of Transport for a form claiming a refund. Licence reminders sent out for and by the time of the closing cars licensed at the beginning date last month 187,000 claims of April, 1977.

The reminders said that if the date was paid 90,436 claims so far licence fee was increased in the and has 38,000 to process. Budget they would have to pay.

Of these about 31,000 are the new rate of tax. The licence believed outside the criteria for fee was increased from £40 to repayment set by the Department, but this applied only to 30,010 claims have cars licensed after March 30, 1977.

The Department has not released details of the exact level complained to their MP, who told of refunds, which vary according to the Ombudsman that they had

delayed buying a new licence because they understood the remainder notice to mean that they would have to pay the higher fee even if they bought a licence before the Budget.

After studying the Ombudsman's report, Mr. William Rodgers, the Transport Secretary, decided that a mistake had been made and that it would be only fair to offer refunds to other motorists who claimed they were misled.

Critics of Mr. Rodgers' decision say that the Government has been too generous. It is unlikely, they claim, that some 100,000 people were misled by the wording.

Three members of the public

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After

PARLIAMENT AND POLITICS

Callaghan
warns
on arms
race

BY IVOR OWEN.

IF THE United States and the Soviet Union become embroiled in a new arms race, it could be "catastrophic" for both their economies, the Prime Minister was warned yesterday by Mr. Robert Sheldon, Financial Secretary to the Treasury, when the committee stage of the Finance Bill resumed in the Commons.

The Budget proposals provided a measure of tax relief for self-employed people and members of partnerships who are resident in the UK and who work abroad for at least 60 days in an income-tax year.

The Tories had put forward an amendment to halve the term to 30 qualifying days, thus bringing the self-employed into line with employed persons who were given a similar tax concession in last year's Finance Bill.

Much to their surprise, Mr. Sheldon accepted the amendment despite the fact that he has argued against it in the past on the grounds that it would be too difficult to administer.

This means that those self-employed who work 30 days abroad can, for tax purposes, deduct 25 per cent of the profits from the trade attributable to the days worked abroad in the year of assessment.

The concession was greeted with a cheer from the Opposition, who have been pressing for such a move for some years. But they gave it as a belated move on the Government's part and were sceptical about the reasons which prompted it.

The saw it in the hand of Mr.

Mr. Callaghan, who had earlier been warmly commended from the Government benches for defusing what Mr. Alex Lyon (Lab., York) termed the "hysteria" which had seemed to be developing among Western nations over Africa, hit back strongly.

He told Mrs Thatcher "There is no question of the United States wishing to be directly involved in military intervention in Africa and it is reckless for you even to suggest that they might be." British and American policies on the situation in Africa were closely related with both Governments fully appreciating the nature of the Soviet threat and the response which had to be made to it.

Amid Labour cheers, the Prime Minister declared: "The Soviet Union knows that this Government is not just anti-Soviet for its own sake. We intend to live with this country in the world and not set up artificial conflict with it."

Replying to Mr. Lyon, he explained that while the nations of the West had adopted a clear attitude about recent events in Africa, no clear policy had yet been evolved. "That is something which we have to continue to work on," he said.

Reaffirming his view that it was essential not to react to events in Africa in the context of an exclusively East-West conflict, the Prime Minister maintained that it would be far better for the West to try to help the African countries to solve their basic problems instead of concentrating on the symptoms.

But he agreed with Mr. Peter Blaik (C., Blackpool S.) that there was a dilemma in that further Russian involvement in Africa might deny the West an opportunity to deal with the root causes. Nevertheless, there must be some balance in the argument and he was glad that he had been able to interpolate a note of sanity.

The Prime Minister reporting to MPs on the NATO Council meeting in Washington and his visit to New York to address the UN special session on disarmament, recalled that he had stressed the central importance of a Salt II agreement which he believed could be obtained.

But he also spoke of feeling impressed and depressed by the consequences and possibility of another arms race without such an agreement. "That is why I am not trying to raise the temperature with the Soviet Union or anybody else. I am trying to lower it."

He urged Tory MPs not to strike propaganda attitudes over arms spending and declared: "We are living in a powder keg situation."

Tory 'battle plans' attacked

THE Prime Minister yesterday warned the Tories against "drawing up battle plans for future industrial conflict."

As he clashed with Tory Leader, Mrs. Margaret Thatcher, when the Commons resumed after the spring recess, he smiled and said: "There seems to be an early outbreak of party skirmishing, just as we have got back."

As far as the Government's own programme was concerned, this would "appear in due course, and will utterly satisfy the nation—I have no doubt about that."

Mrs. Thatcher was stung into an attack on Labour Party nationalisation proposals after criticism of a leaked Tory report on unions and State-owned industries.

Mr. Max Madden (Lab., Sowerby) called it a plan for "conflict and confrontation in our public industries."

He added: "Mrs. Thatcher owes it to the public and workers in the public sector to make it clear whether she supports these bizarre proposals."

Mr. Ian Gow (C., Eastbourne) should be operated "in a flexible and tolerant way." Mr. Harold Walker, Employment Minister of State, said in the Commons yesterday.

Replying to Tory attacks over the Government's attitude to the closed shop, Mr. Walker accused the Opposition of a lack of concern for those workers denied the right to join it.

He recommended that they read a speech on Monday by Mr. David Bennett, general secretary of the GMBU, who insisted that the Tory campaign against the closed shop was naked political opportunism.

Mr. Walker said that the Conservatives' "crude approach" to the closed shop would inevitably lead to the "disastrous consequences" of the industrial relations policies they had pursued in 1972.

Minister relents on tax relief for self-employed

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A SURPRISE tax concession for the self-employed who spent part of the year working overseas was agreed yesterday by Mr. Robert Sheldon, Financial Secretary to the Treasury, when the committee stage of the Finance Bill resumed in the Commons.

The Budget proposals provided a measure of tax relief for self-employed people and members of partnerships who are resident in the UK and who work abroad for at least 60 days in an income-tax year.

The Tories had put forward an amendment to halve the term to 30 qualifying days, thus bringing the self-employed into line with employed persons who were given a similar tax concession in last year's Finance Bill.

Much to their surprise, Mr. Sheldon accepted the amendment despite the fact that he has argued against it in the past on the grounds that it would be too difficult to administer.

This means that those self-employed who work 30 days abroad can, for tax purposes, deduct 25 per cent of the profits from the trade attributable to the days worked abroad in the year of assessment.

The concession was greeted with a cheer from the Opposition, who have been pressing for such a move for some years. But they gave it as a belated move on the Government's part and were sceptical about the reasons which prompted it.

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Mr. Callaghan, who had earlier been warmly commended from the Government benches for defusing what Mr. Alex Lyon (Lab., York) termed the "hysteria" which had seemed to be developing among Western nations over Africa, hit back strongly.

She asserted that by "playing down the Soviet threat" the Prime Minister had indirectly encouraged the Russians to continue their African incursions.

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Peers agree PR voting for Welsh Assembly

THE HOUSE of Lords yesterday understood, and had grown out of our own political conditions.

There would have to be powerfully reasons for changing such a system.

Lord Harlech said that opinion both outside and inside Parliament saw the strongest reasons for PR should apply in elections for both the Welsh and Scottish devolved assemblies.

The Welsh body should represent as nearly as possible those elected for individual constituencies, a majority of 25 members who had found backing on all sides of the House.

The system provides, on top of those elected for individual constituencies, an extra 25 members allocated to bring the parties, as nearly as possible, into proportion with the votes cast.

It had been proposed in the names of Lord Kilbrandon, chairman of the Commission on the Constitution, Lord Harlech, the Tory peer, and Lord Lloyd of Kilgerran (L.), Lord Houghton of Sowerby (Lab.) also argued that some form of PR was inevitable.

But for the Government, Lord McCloskey, Scottish Solicitor General, warned that there had been, and would continue to be, massive votes in the Commons against additional member voting.

"You may think it is something of a waste of time to press on in the face of these massive votes by the elected House," he said. It could also be construed as impertinence.

The other system had been chosen because it was traditional, well known, well tried, perfectly

marking of ballot papers would be "simply itself" with voters marking the one or two candidates of their choice, and then having an additional vote to cast for the party they supported.

Lord Lloyd said the existing "first-past-the-post" system had distorted the whole picture in Welsh politics, with over 50 per cent of the voters supporting Liberals, Tories, or Plaid Cymru but getting well under 50 per cent of the seats at Westminster.

There is a real fear in Wales that this first elected Assembly will be dominated by one party," he said.

Lord Houghton said that even if the first-past-the-post system were introduced initially, some form of PR would take over in the end.

Baroness Elliot of Harwood (C.) said that the change would mean a much fairer representation in the Welsh Assembly. It was very important there should be the opportunity to bring into the Assembly people who might make a very big contribution, but might not submit themselves for election.

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The Management Page

After last week's look at the re-organisation of Babcock and Wilcox, the managing director of its boilermaking company, Ron Campbell, gives his personal view of the characteristics of a manager

The personality mix which makes for good teamwork

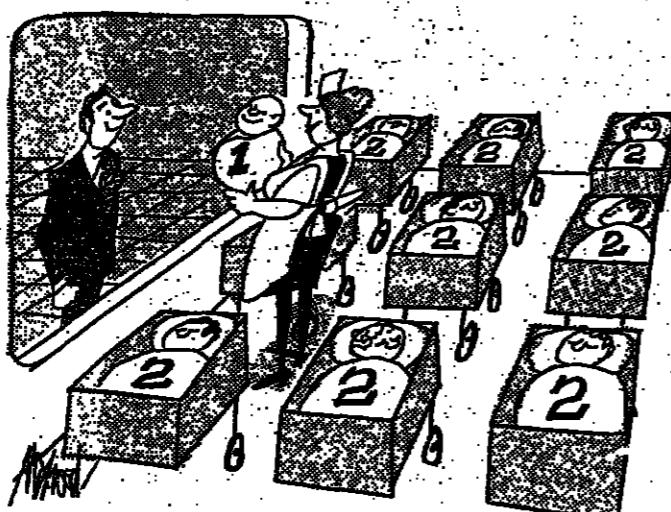
THE QUALITIES a manager should have are well-known: integrity, ability to get on with people, clear-sightedness, stamina, persistence, orderliness, creativity, decisiveness, self-reliance. He should also have good knowledge of the field in which he is to operate; or alternatively the type of quick, receptive mind that allows him to learn rapidly and translate his experience in related fields to the problems of the new one.

Another is the ability to receive signals from other people. First of all this means listening to what they say. But it also means being receptive to all the other visual signals involved in communication between people—facial expressions, body movements, etc. Only by receiving full feedback will the manager understand how others are likely to respond to proposed courses of action.

It is surprising how often one comes across otherwise very able people who have a blind spot in this one area and can give a quite contrary impression to the one intended, when, for instance, they are talking to their staff, because they are not aware that some of their words had been incorrectly interpreted. I have been in situations where two people have been talking at each other and, not communicating—where they needed someone to interpret what they were trying to say to each other.

Another important attribute is intelligence. But we need to differentiate between intelligence and cleverness. I like the definition given in the Financial Times recently—the "faculty of works for whom is the arrangement of the No. 1 and understanding," as opposed to No. 2s in any team. By No. 1 cleverness which was defined as and No. 2 I mean not the relative positions they occupy but the ability to process information in the manner of a computer. In management it is intelligence we are looking for.

Not so useful is the highly



Managers are born either No. 1s or No. 2s

what are the really important issues, or who tries to set policy on strictly logical grounds, for getting that the policy has to be implemented by imperfect human beings.

Managers who score high markings in all the desirable qualities are very rare; we therefore have to arrange teams to cover weaknesses and utilise strengths to the full.

Subservient

I have written as though everyone can be fitted into one category or the other. In fact there must be continuous spectrum in this as in any other human quality and it is the relative positions in the No. 1/ No. 2 scale which matters when considering how two people will work together, particularly if the No. 1 is to be subservient to the No. 2.

But why put a No. 1 under a No. 2? The answer is that there are many teams with a total

of a company, both chairman and managing director ought to be No. 1s, their talents and experience should be complementary.

Ron Campbell is managing director, with the qualities of self-same individual occupying top (Operations) which will have a controlling interest in the proposed boiler-making company to

either cannot stand back to see 2 is the man who, while he can the overall structure—and that be formed with George Chapman.

is not sensible, bearing in mind the need for experience at the different levels—then some of the teams must have No. 1s reporting to No. 2s. Points where this occurs are potential sources of discord, particularly if the two individuals are a long way apart in the No. 1/ No. 2 scale.

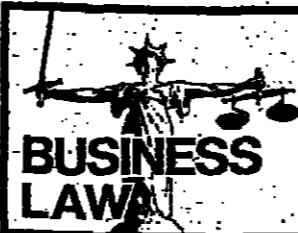
Nowhere is it more important to avoid having a No. 2 in charge of a team than at the top of the management structure. It is bad for the health of the company or division if that is allowed to happen, and bad for the health of the manager himself. He will tend to collect other No. 2s around him to avoid the discomfort of having to deal with No. 1s, who tend to be more prickly individuals. The inevitable result is poor team performance.

I believe that if we could measure positions across the No. 1/No. 2 spectrum, for a team to register a good performance its average mark would have to be above a certain figure. This condition can be fulfilled by having a team leader who is very high in the No. 1 scale with a lot of No. 2s as his immediate subordinates, but in this situation there is the disadvantage that the heir-apparent is not being trained.

There is one other classification into which I would divide managers: doers and be-those whose satisfactions derive from achievement of work or of status. The worst possible situation for No. 1 members of a team occurs when the leader is a No. 2 and is also a be-er. This can only lead to the maximum frustration.

Looking at the top structure of a company, both chairman and managing director ought to be No. 1s, their talents and experience should be complementary.

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Will U.S. product liability awards be enforced here?

BY A. H. HERMANN

JUDGMENTS IN American courts on product liability claims for compensation may fetches, but will be virtually impossible to enforce in the UK. Under Common Law rules, an English court would probably rule that the jurisdiction of the faulty goods were never questioned, both the jurisdiction sold in the U.S. A draft UK or a U.S. court and the applicability of U.S. law. This presents which has already been made, could have a profound effect on British manufacturers and insurance companies because of the very U.S. But even this protection would be removed by the strict product liability laws and high civil awards in American courts.

As the law stands, British industry is to a certain extent insulated from the effects of U.S. product liability rules.

It could happen that a British-made car, built ten years ago, bought second-hand by a visiting American and taken by him to the U.S. is then driven into a wall, killing the driver and seriously injuring one of the passengers. The injured passenger and the family of the killed driver could claim that the accident was due to a failure of the steering gear and ask for damages in the U.S. court. If the British maker of the car was unable to prove that the accident was not due to a failure of the steering gear he could be held liable and the plaintiffs could be awarded compensatory damages which going by a recent California jury award against the Ford Motor Company—could well be assessed at around \$8m.

If implemented in its present form, the UK/U.S. Draft Convention on the Enforcement of Judgments in Civil Matters would oblige UK courts to respect U.S. jurisdiction to an extent far beyond the jurisdiction of common law rules.

In the case of a British-made car sold second-hand in the U.K. and crashed against a wall 10 years later, the U.K. courts would not

recognise a U.S. judgment against a British manufacturer.

But according to the Convention, the American plaintiff would only need to prove that this

model of vehicle was advertised by the British maker in the U.S. before it suffered the accident.

Under the Convention, U.S. jurisdiction would be extended to goods which were not exported to the U.S. but were available elsewhere and subsequently taken to the U.S. product liability underwriters may well increase premiums also for products exported to other destinations.

On the other hand, some of the awards made by U.S. juries seem to ignore the fact that the manufacturer cannot prevent accidents. For this reason the implementation of the Convention would make it even more difficult to obtain liability insurance cover for British export products than it is at present.

According to a recent report by Lloyd's, British product liability underwriters are currently asking for premium rates of up to 20 times the UK rate for the products being imported to the U.S. Because under the Convention U.S. jurisdiction

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BUSINESS PROBLEMS

BY OUR LEGAL STAFF

An author's royalties

A UK author has royalties this year of £50,000 from an overseas country which has a DTR arrangement with the UK. These royalties are taxed in the overseas country at an average level of 50 per cent (though the top rate is 70 per cent) i.e. the tax paid overseas is £15,000, leaving £35,000 remitted to the author in the UK. The author who gets no allowances or tax relief in the overseas country has an other earned income in the UK of £10,000 (gross), giving a total gross income of £40,000.

Would you please tell me what relief the author could expect to get in respect of the £15,000 paid overseas. Is it a fixed amount or is it a fixed proportion of the total income?

As you do not disclose the name of the country in question (and since double taxation agreements vary from country to country), it is difficult to give you a helpful answer. Assuming that (contrary to the OECD model) the particular double taxation agreement you have in mind does not limit that country's right to levy tax on literary royalties (and we must assume that you studied the agreement before writing to us), then the short answer to your question is that the author's UK tax bill on the doubly taxed hire purchase agreement, and

royalties will be reduced by the amount of the foreign tax bill. However, this short answer may be deceptively simple, because there are almost certainly complicating factors in the particular circumstances of the case you are concerned with.

This is a matter for negotiation with the leasing company. You should be able to lease with an option to purchase if you so desire. It would be wise to ascertain the terms of other leasing companies before approaching your own lessor.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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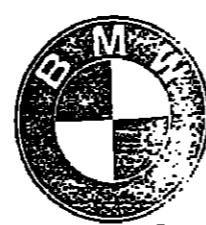
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FINANCIAL TIMES SURVEY

Wednesday June 7 1978

Political strain begins to show

by David Tonge

NEXT MONTH will see the fourth anniversary of the afternoon when the Greek junta called the self-exiled Constantine Karamanlis back from Paris. But it is an indication of lost opportunities that even today the question persists of how stable is parliamentary government in Greece.

The past four years have seen the formal abolition of a semi-discredited monarchy, the promulgation of a new constitution, and two parliamentary elections. They have also seen the Karamanlis government's re-establishing the weight of the institutions of state such as the armed forces, police and civil service, tainted by the junta. But this has been achieved by protecting these institutions from popular demands for purging and by re-directing them to serve the governments of today. It has not been the result of any major cleansing from them of the individuals whose open or tacit support buttressed the junta.

As a consequence the tradition of near-authoritarian rule first practised by the Bavarian King Otto who was imposed on Greece in 1832 has to some extent been maintained. The names of those who resisted the junta, that its withdrawal would be followed by a major rebirth of Greece, have yet to be professed. Further, the institutions have kept their spirit of distinction and blocking change at just the time when change is not only being demanded at a popular level but is also being forced on Greece as a side effect of its impending accession to the EEC.

The Government is thus of the Communists and Mr. Karamanlis' right to challenge with the West, in particular the EEC, under the pressure of both the Papandreu's right to challenge with the West, in particular the EEC, and the expectations Mr. Karamanlis for power; and through accession to the EEC.

GREECE

Four years after the fall of the junta, the growing polarisation between left and right indicates that some central problems of Greek politics remain unresolved. The economy needs modernisation, and there is the question of the country's future relationship with NATO and with the EEC.



tions with the Turks over the Aegean on the grounds that it means bargaining away Greece's sovereign rights and frontiers; and followed a tough line on Cyprus.

Today Greek politics has become a bitter battle between these two. Last October's elections saw Mr. Karamanlis's share of the vote slip from 54.4 to 41.9 per cent and Mr. Papandreu nearly double his vote to 25.3 per cent. All the indications are that in a world of volatile party loyalties he has continued to gain ground.

The centre collapsed to a mere 12 per cent of the vote and its subsequent intra-party battles

mean that at present it is a negligible force.

On the Right the National Rally won 6.8 per cent of the vote and its youth

has since been active.

On the Left the Communist Party of Greece (KKE), a pro-Moscow party, consolidated its position with 9.5 per cent of the vote.

But the limited size of the

"industrial proletariat" where it enjoys support and the

fact that most of the agricultural population are small-holders, and the party's total

exclusion from the state

machinery—let alone, as to a

lesser extent is true for Mr.

Papandreu, from the state

media—mean that talk of a

Communist danger is far

fetched.

What happens to these will

be influenced by the extent to

which Mr. Karamanlis tries to

impose his choice on his party,

when he either chooses to take

a deserved rest or seek election

as President. His closest ad-

visers say that he is keeping his

options open. Potentially the

Presidency is a powerful post,

even though its present incum-

bent, Mr. Constantine Tsatsos,

has followed Mr. Karamanlis's

apparent wishes in pursuing a

purely formal role and has

not even made one state trip

abroad.

Equally important for the

future will be the timing of

Mr. Karamanlis's next step. His

advisers say he does not wish

to leave the train until it

reaches at least one of his

chosen stations—obtaining

Greece's accession to the EEC

or resolving the problems with

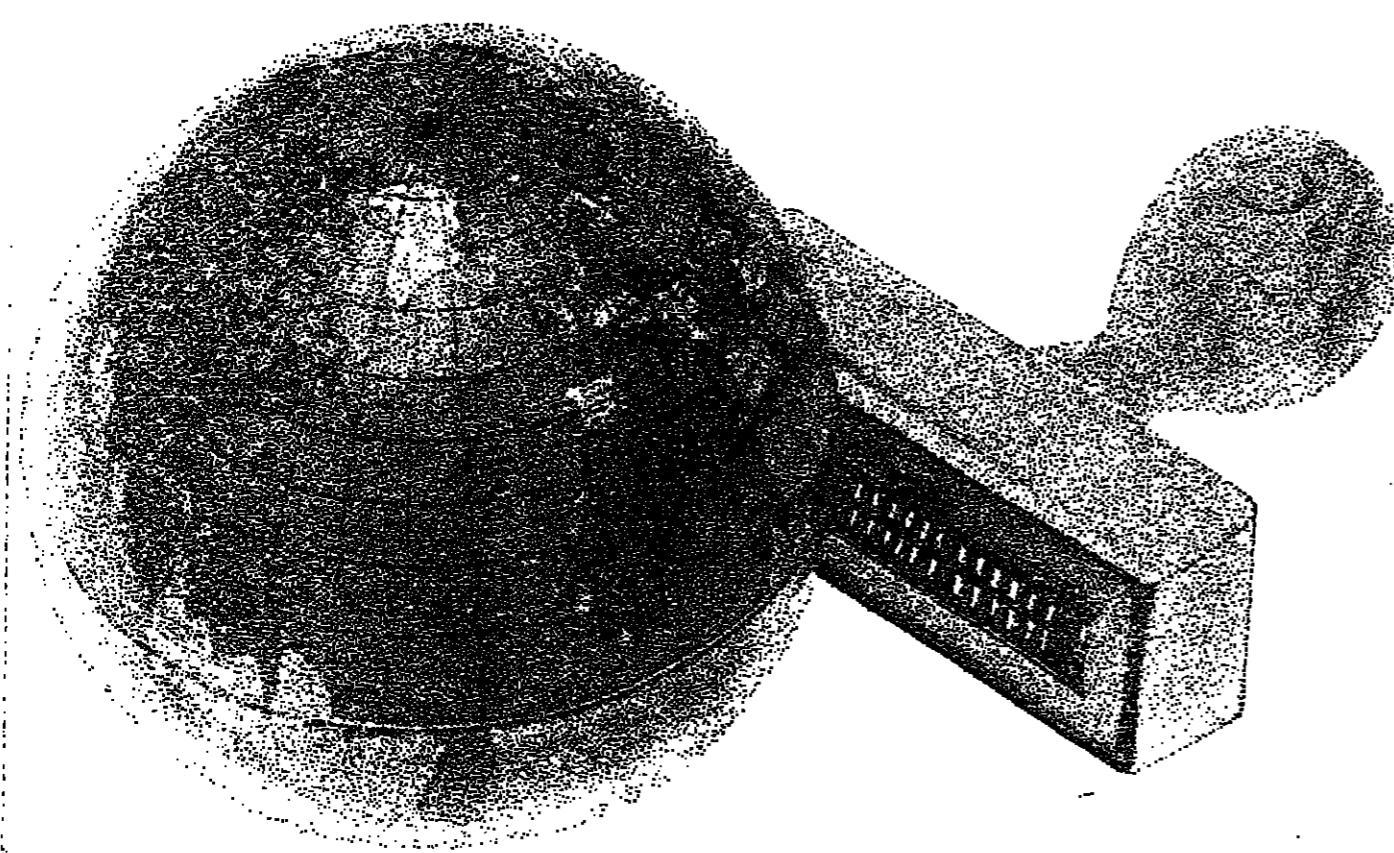
Turkey over the Aegean or the

Cyprus dispute. And while these

are proving hard stations to

reach, the once-distant chal-

lenge presented by Mr. Papandreu slowly mounts.



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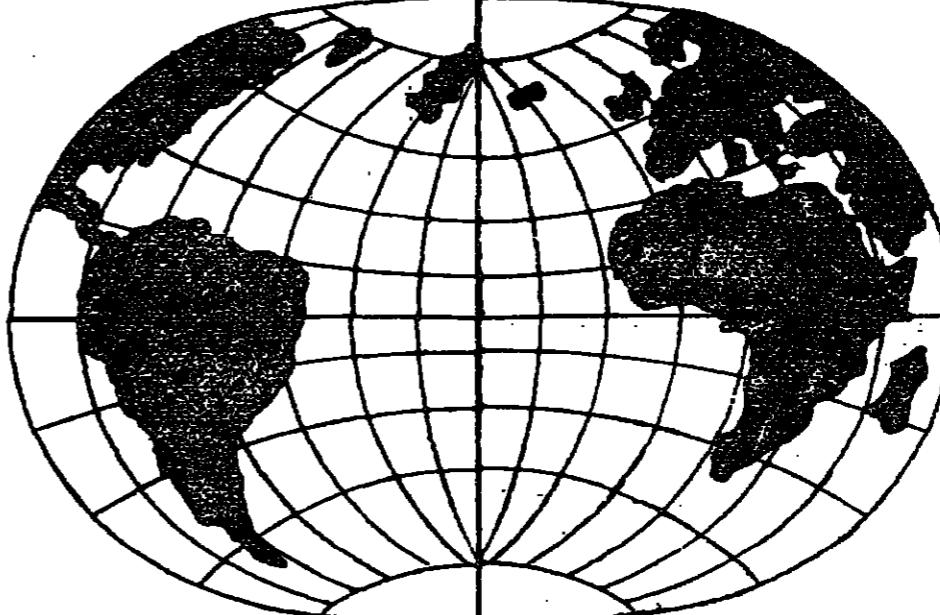
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مكتبة الأصل

GREECE II

مكانت من الأصل

Task of updating the economy

ONE MONTH ago there was an main trading partners. abrupt change among the Mr. Karamanlis himself personalities running Greece's appears to believe that it is economy. In place of his man- not the policies of the past four dars from the 1950s who had years which have been proved been acting as economic wrong, but their application overlords, the Prime Minister. For all the Press talk of an Mr. Constantine Karamanlis, "opening to the centre" there brought in the forceful liberal are doubts about whether any Mr. Constantine major policy shift should be taken. The Ministers them- Mitostakis, to head the Ministry expected. The Ministers of Co-ordination. As Minister of Finance, he appointed Mr. Athanassios Kanellopoulos, a house in order" and, like their predecessors, tackling inflation. Despite their backgrounds the Ministers are preferred by industrialists to their predecessors.

By entrusting direction of the economy to men from outside his own party, Mr. Karamanlis was recognising the need to give it fresh impetus. Growth is well below the rates of the late 1960s. Private manufacturing investment is lower in volume than in 1973. Commodity prices are rising at 12-13 per cent, well above the average in the OECD; and the drachma has been falling at an annual rate of around 14 per cent against the currency of Greece's

often rejected ministerial proposals; the international business slowdown; and the way that the intense political importance given to Greece's entry to the EEC has "paralysed everything" in the economic field.

Behind all this is the rough legacy that the dictatorship bequeathed its successors. Four years have passed since the Colonels' junta fell, but still the Greeks are having to pay the bills it left behind.

The economy continues to suffer from the downturn it took even before the 1973 world oil crisis. It has to bear the massive milestone of defence expenditure needed to handle the confrontation with Turkey which the junta unleashed.

Equally, after seven years of repression, the workers are introducing any changes and also emphasising the role the Prime Minister himself has played in running the economy. It sees three factors as contributing to the difficulties faced by previous Ministers—the way the Prime Minister's office has

one of the Karamanlis Government people are living through."—even if this has taken only a few steps to correct the scandals of the junta period and to improve the poor safety and abysmal pollution records of Greek industry.

The Government has now prepared a Bill setting out reinforced incentives for industry. One of its aims is to spread industry outside the Athens-Pireaus area where at present three-fifths of industrial employment is concentrated.

Planning

In general, such planning is still at a very early stage. The previous Karamanlis Government tabled the principles of the 1976-80 plan in Parliament in June 1977. This was to be an indicative plan but was immediately described by the opposition spokesman, Mr. Ioannis Pemazoglou, Finance Minister in the first post-junta government as "a collection of generalities with little relevance to the vital and immediate problems which the Greek

new Karamanlis Government is now elaborating an updated version of the plan for the period 1978-82.

Such an amount would cover almost half of this year's budget deficit. This deficit, together with price support and subsidies and the losses of state trading enterprises, was equal last year to slightly over 6 per cent of GNP, according to the IMF.

This deficit was as usual largely financed by obilizing the banks to buy Treasury bills—a practice criticised by the IMF not that the process of adapting country, but what is particularly striking is the unbalanced distribution of tax revenue. Despite years of OECD urging 74 per cent of tax revenue still comes from indirect taxes. This is particularly the case of the Greek economy since antiquity. As such it is not necessarily a weakness but it does mean that a large trade deficit is a structural feature of the economy; that to expand the economy as a whole it is not sufficient to stimulate only manufacturing, and that marginal expenditure has a high import content. As one economist at the Bank of Greece says, "When we take measures to stimulate our economy, it is the factories of our trading partners which benefit."

Such problems are aggravated by the nature of Greek manufacturing units. From the products angle, Greece is strong in textile production and this would be a healthy sector but for European protectionism. But much recent investment, particularly by foreigners, has been in the field of mineral processing or "white goods." Such plants as Pechiney's Aluminium de Grèce have relatively low local value-added and do not foster ancillary industries. Equally, the white goods depend heavily on foreign technology and imports. The import content of manufacturing inputs in general is relatively high.

Greece still exhibits the classical attributes of a dual economy. Alongside the relatively few large units exists a plethora of small workshops.

In 1975, 84.4 per cent of Greek manufacturing units employed four or fewer people and 9.2 per cent between five and nine people.

These small units have long been discriminated against when it comes to obtaining bank finance or official licences. But they survive. The Government's view is that their flexibility will preserve them from the chilly winds of unrestricted competition after the full dismantling of tariff barriers.

This is due in 1984 under the existing Treaty of Association with the EEC.

Professor Zolotas blames the pressure on prices on the recent housing boom and on the rapid rise in unit labour costs; the rate here is running at about 20 per cent per year. He adds that the persistence of inflation is to a large extent the result of the inflationary expectations prevailing in the economy.

To tackle this situation the Government has attempted to restrain the growth of money supply. It has also begun to stress that one of the key elements of inflation is the service sector, "with its uncontrolled possibilities of profit" as the Ministry of Co-ordination says.

Professor Zolotas points to the mushrooming numbers of middlemen such as importers and traders who are not listed, perhaps even by the tax authorities, and who are not interested in productive investment, he says. It is these, he believes, who are largely responsible for the "excessive consumption" in boutiques and tavernas, let alone the purchase of consumer durables such as cars which have to be imported.

Behind this problem lie the structural factors bound to be affected by Greece's accession to the "social mania"

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Shipowners in a cautious mood

FEW COUNTRIES' shipowners better off within the Community — and the sooner they were in principle of the freedom of the seas as Greece's, but now the Greeks too are reluctantly accepting the reality that henceforth they will be subject to increasing limitations both at home and abroad.

In part this is a consequence of the present shipping crisis. The effects of this are only too evident in Greece itself, where lines of rusting ships lie at anchor in the sheltered bays near Piraeus. So far the only Greek owner to be hit severely is Mr. Minos Colocotronis, but one leading owner says that if freights do not recover this year other owners could also be in trouble.

The recent market improvement because of grain shipments could be only temporary, he warns. At present up to one-tenth of Greek shipping is laid up. Attempts by a body of owners headed by the President of the Union of Greek Shipowners, Mr. Anthony Chandris, to establish a voluntary dry cargo lay-up scheme have so far had little success: the Greeks had hoped to cooperate with Scandinavian and Hong Kong owners.

Greek owners have been particularly concerned about how to preserve their share of cargo in a world of increasing flag discrimination over cargo allocation. As specialists in cross trading that is when the cargo is carried in a ship belonging to neither the exporting nor importing nation — the Greeks are particularly vulnerable to the effects of such proposals as UNCTAD's Liner Code.

This code sets out to establish the principle of 40:40:20, in other words ships from the exporting and importing country each taking 40 per cent of any cargo generated with only 20 per cent going to cross traders. The possibility that membership of the EEC could protect Greece from some of the worst consequences of such an accord seem to have persuaded many Greek shipowners that they would be

Net shipping receipts, which include remittances of savings by Greek seamen, totalled \$972m in 1977 and covered one-quarter of the country's trade deficit. However, the OECD has calculated that in the past the contribution of shipping to Greek GNP has been less than would have been expected given the tonnage of Greek shipping.

This point was taken up earlier this year by the opposition leader, Mr. Andreas Papandreou, when he told various Greek shipowners that his party's priority was to boost invisible earnings from shipping and noted that in the past these had not grown in proportion to the huge growth in our merchant fleet.

However, the age profile of the Greek fleet remains poor, and its loss record distressing. Britain, Japan and Norway all have 78 per cent or more of their tonnage aged under 10 years and no more than 3 per cent aged 20 years or more. But for Greece the figures are 43 per cent and 18 per cent. Worse, in both 1975 and 1976 ships under Greek flag accounted for about 7 per cent of world tonnage but were responsible for one-fifth of world losses. If to such figures are added Greek-owned ships such as the Greek Merchant, then in 1976 Greek-owned shipping can claim a striking one-half of world losses.

Accession to the EEC will require Greece to adopt stricter safety regulations. Already last month the Minister of Merchant Marine, Mr. Emmanuel Kefaloniannis, announced various measures to improve matters.

The Minister was hopeful that the Memorandum of Understanding signed by eight northern European nations including Britain which provides for general surveillance of ocean-going vessels calling at the ships of the Nine, the Union hopes that the problems of finding lower-deck crews will be solved by bilateral agreements with developing countries.

Such hopes from the EEC party explain the continued buoyancy of the Greek-registered fleet. In the year to July 1977, this rose by 4.5% to 29.5m grt. This puts Greece fourth behind Liberia, Japan and the UK in the world league table and means its

owners that they would be

By a Correspondent

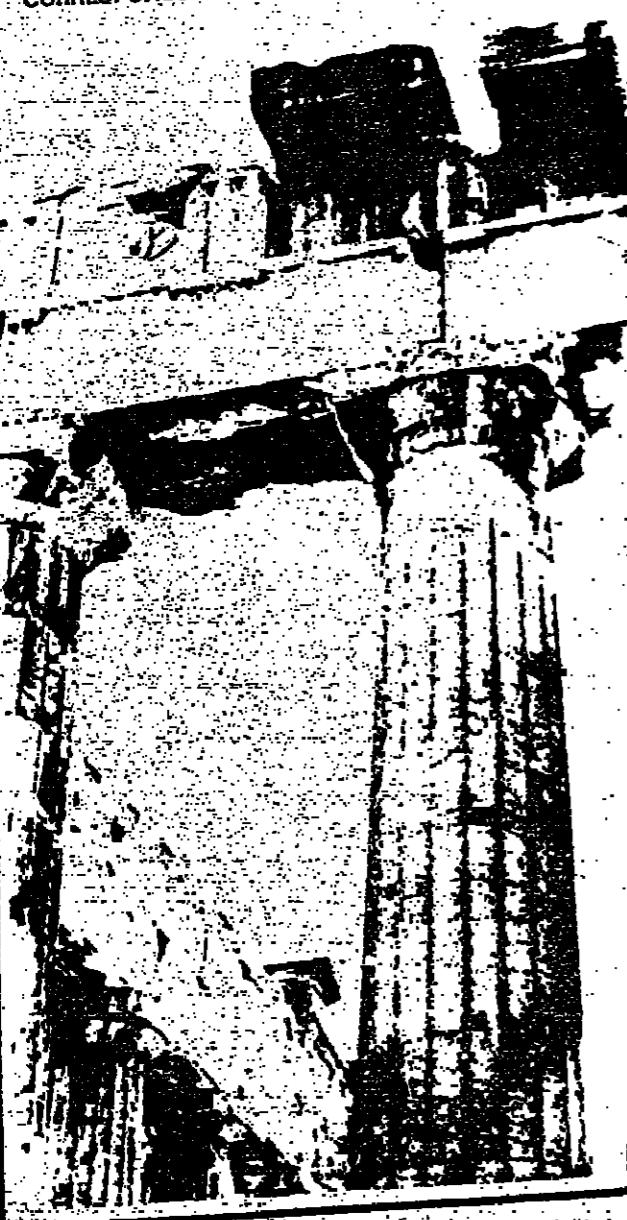
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EEC

CONTINUED FROM PREVIOUS PAGE

of the year, neither is it anticipated that they can be permitted to slow the momentum of the negotiations. Numerous details, a Coordination Ministry official said, citing particularly matters concerning Greece's relations with third countries, could be left for finalisation during the ratification process, or possibly even later.

In the meantime, a more systematic campaign has been launched this year to persuade the Greeks generally, and the farmers in particular, of the benefits that will follow EEC membership and, conversely, of the dangers that would result from staying "outside Europe."

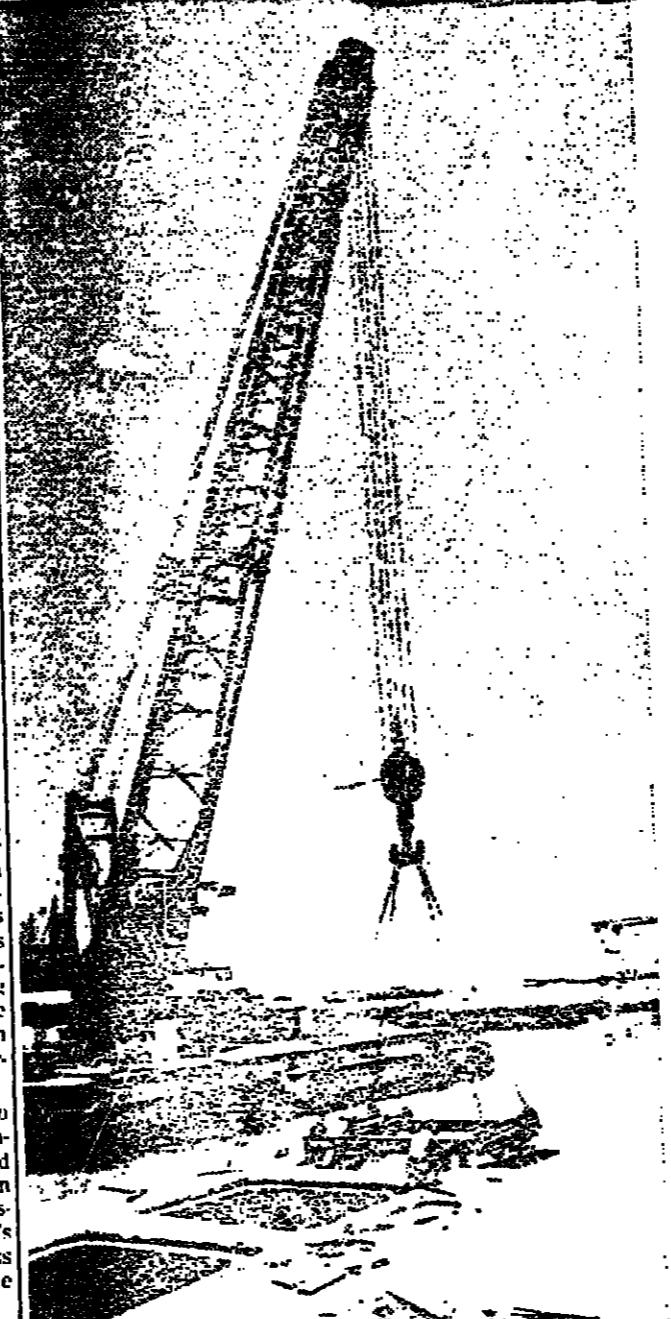
Campaign

In a sense the campaign is not strictly necessary, since elections are not due for another three years and the government has more than enough votes to push any accession treaty through the present Parliament. But there have been persistent reports here that the government may not finally be able to avoid a referendum on membership. If one had to be held, the farm vote would be decisive.

The industrialists, for all the initial difficulties they will face, are adamant in their support of membership; they point out that, anyway, tariff barriers are due to be completely dismantled by 1994 under the existing Greece-EEC association agreement; and that this date more or less coincides with the likely end of the transitional period.

Shipowners are in favour because they want Greece to the association treaty, he said, have a weightier voice in the now nearing its vindication in full membership. "Unless matters, and say they are even ready to face the 'fight' of a matter involving the future of Greek crews to the fleets of the nation, I would not have other EEC members that would persist for 18 years in this probably follow application of the freedom of installation principle to the merchant."

By a Correspondent



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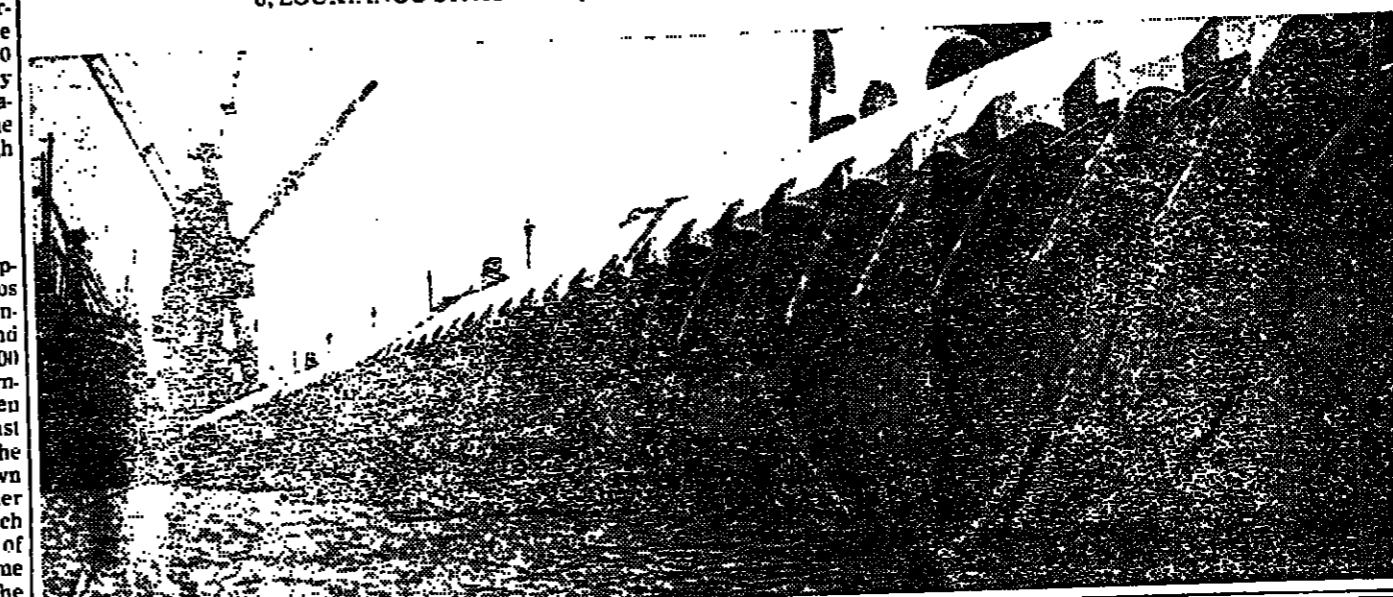
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Both the Minister of Labour, Mr. Constantine Laskaris and the Governor of the Manpower Employment Organisation, Mr. Costas Papamonnou are fully aware of the problems involved and closely supervise MEO's operations to make sure they are conducted with the utmost efficiency.

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MEO undertakes to pay a wage and the social insurance costs of workers attending its training schools. This means that a worker can improve his skills without loss of income. At the same time, MEO can find jobs for trainees who complete their courses through its regional offices when vacancies occur. This is a most useful service to industrial development since it reduces unemployment, restricts migration and provides industry with more skilled and more productive manpower.

The technical training provided by MEO schools consists of ordinary and accelerated courses. The former are attended by youngsters between the ages of 14 and 18 and the latter by qualified and unemployed workers between the ages of 18 and 45. The ordinary courses take from 2 to 4 years according to subject and the accelerated courses take from 7 to 8 months.

THE SCHOOLS

Last year 2,400 workers completed the ordinary courses and 2,272 the accelerated courses making a total of 4,672.

NEW SCHOOLS

MEO's Training Plan calls for the establishment of new combined training centres for the vocational training of adults between the ages of 18 and 45 and of youngsters between the ages of 14 and 18 in various Greek towns.

TRADE ORIENTATION

Another important aspect of MEO's activities is to help young people with advice on their choice of a suitable trade. This task is performed by MEO's Trade Orientation Services which offer such advice freely on request. Similar advice is offered to pupils at state schools in co-operation with their teachers.

INSURANCE & ALLOWANCES

MEO hands out unemployment allowances to workers who are out of a job until they find new employment. Family allowances are also granted as well as allowances to military reservists who are called up, in order to make up to a great extent the income they would be earning otherwise.

GREEK WORKERS IN WESTERN EUROPE

Greek workers in West Germany, Belgium and Holland are assisted by MEO representatives in solving any problems that might occur in their work, social life or in adapting themselves to new conditions. This task is performed by groups of MEO advisers and through MEO advisory bureaux and Greek Homes. These last make it possible for emigrant Greek workers to relax in Greek surroundings and maintain links with the homeland.

MEO also takes in 250 children of emigrant Greek workers every year for free vocational training at its schools and invites another 1,500 children to Greece for summer holidays with all expenses paid.

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THIS MONTH Greece embarks on a crucial experiment aiming to replace confrontation by consensus in the field of labour relations. Following EEC urging, the Council for Social and Economic Policy is to start a registered unemployed total a mere 2 per cent of the non-agricultural labour force. But in this sector, as in many others, Greek statistics are poor. Last year the OECD estimated that only about one-third of unemployment was recorded. Official figures exclude many young people. Underemployment is a major problem. Left-wing unionists estimated that the unemployed and semi-employed total 10 per cent of the labour force.

The importance of the experiment comes from the poor present state of labour relations in Greece. During the 1967-74 dictatorship strikes were banned, but since then the workers have been increasingly flexing their muscles. In 1977, 9.5 million man-hours were lost in 500 strikes over wage demands or because of accumulated mistrust. This year has seen one 24-hour general strike, numerous plant disputes and several long-term strikes by groups including railwaymen and university staff. Frequently the police are brought in, with clashes often occurring. But this year at least the Government has not had the recourse which it had last year to telling strikers they had been drafted because of "national emergency," and that if they continued striking they would be subject to military discipline; in law Greeks are still subject to the junta's general mobilisation for Cyprus of 1974.

Concern

The International Labour Organisation (ILO) has expressed concern at certain aspects of recent Greek labour legislation. Its latest mission to Greece is known to have been disturbed at working conditions, particularly in the small units which provide the bulk of employment in manufacturing; at the inadequacy of safety controls; and at the considerable degree of State influence over the finances of the labour movement.

Critical to this is the whole question of building an independent union movement in Greece. Long years of continuous Government intervention in Greek unions have left their mark. European unionists say that the Greek labour movement "is today fighting the same battles for free and

unemployment benefits, for instance, are limited, and gov-

ernment retraining programmes are criticised by both personnel managers and employees for being limited in scale and efficiency.

Such issues take place against a background of apparently low unemployment. The officially registered unemployed total a

100

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But in this sector, as in many others, Greek statistics are poor. Last year the OECD estimated that only about one-third of unemployment was recorded. Official figures exclude many young people. Underemployment is a major problem. Left-wing unionists estimated that the unemployed and semi-employed total 10 per cent of the labour force.

The National Bank of Greece

recently received 13,000 applications for 480 jobs. The level of unemployment appears to have been relatively steady in the past three years. In part this is because the available labour force has only been growing slowly. There has been a reduction in the rate of growth of population and an increase in the number of young people attending school and higher education. There has also been a steady increase in industrial employment: in the year to November, 1977, this rose by 4.2 per cent. These factors, and the reduction in the number of people migrating to the cities, have outweighed the effects of the reversal of the migration flow. In the 15 years to 1973 800,000 Greeks, or nearly one-quarter of the labour force, emigrated abroad. In the past three years there has been a small net inflow of workers.

Fears that further slow

growth in Western Europe could lead more workers to return are largely discounted in Athens. Many of the men who returned were over 60, and the OECD

reports that a large proportion of the women who came back

did not seek work.

However, a survey in Athens

last year found that four-fifths

of the men questioned had

obtained jobs but that the

women were often hindered by

the lack of facilities such as

creches. The survey also found

that a half of those who

returned to Greece wished to

re-emigrate. Their complaints

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Such issues take place against

a background of apparently low

unemployment. The officially

registered unemployed total a

100

per cent of the non-

agricultural labour force.

But in this sector, as in many others, Greek statistics are poor. Last year the OECD estimated that only about one-third of unemployment was recorded. Official figures exclude many young people. Underemployment is a major problem. Left-wing unionists estimated that the unemployed and semi-employed total 10 per cent of the labour force.

The National Bank of Greece

recently received 13,000 applications for 480 jobs. The level of

unemployment appears to have

been relatively steady in the

past three years. In part this

is because the available labour

force has only been growing

slowly. There has been a

reduction in the rate of growth

of population and an increase

in the number of young people

attending school and higher

education.

There has also been a

steady increase in industrial

employment: in the year to

November, 1977, this rose by 4.2

per cent. These factors, and

the reduction in the number of

people migrating to the cities,

have outweighed the effects of

the reversal of the migration

flow. In the 15 years to 1973

800,000 Greeks, or nearly one-quarter of the labour force, emigrated abroad. In the past three years there has been a small net inflow of workers.

Stonewalling in secret

BY ANTHONY HARRIS

THERE WAS ONCE a cartoon of a civil servant counting cherry stones: "This year... In the not too distant future... At the time to be announced... As soon as conditions return to normal..." He was, of course, elaborating the Doctrine of Unripe Time, and he is now probably working in the Bank of England. That, at least, would be the current view of Great George Street.

The bank likes to talk of the present impasse in the gilt market as "eyeball to eyeball"; but if this is the case, its officials must be developing an outward squint. They are also eyeball to eyeball with the Treasury on what to do about it. For some weeks now the Treasury has been floating urgent proposals for one new departure or another—new securities better suited to the market, new ways of selling them, and so on.

Disillusioned

The Treasury is at length becoming almost as disillusioned as some of its critics with the Grand Old Duke of York. Apart from the embarrassing moment when there appears to be no monetary control at all the old fellow is becoming rather costly in terms of real pay. What is more, officials do not enjoy the constant streams of suggestions on strategy from his non-commissioned officers in the broking houses. The time, for once, is ripe—as seen from Great George Street.

Not so, however, in Threadneedle Street. For every proposal put up by the Treasury, the Bank can generate at least 10 sound objections. Impatience is now reaching such a pitch that some senior Treasury officials have been indiscreet enough to voice their feelings in fairly public places. I now know how they feel, because I managed to get into a friendly argument with a Bank official on neutral ground the other day. I managed to baffle a few of the popular wags, because the City always gets to know that change is in the wind. The argument about secrecy concerning market nostrums off him in conversation, and in a subsequent meeting jolted down one or two more. He in turn wrote down his blank answer: "It is wrong to make structural changes to meet a temporary conjunctural problem in the markets."

Apart from the question that is beezed here—temporary difficulties? — and the one that is bawled—what about structural changes which are needed for things better in the United States?

Monuments

SECRET of this routinely British kind actually encourages stonewalling, which requires rather lot of courage to do in public, our cricket correspondent might be needed after all).

Equally, and more important, it encourages second-best solutions. When nothing can be said publicly, our cricket correspondent might be needed after all).

First, Julio Mariner. A particularly handsome full brother to the Oaks winner, Marney this Blakeney colt gave

his owner, Captain Marcos

Lemos, the first inkling of the idea that a great triumph might one day come when finishing second in the William Hill Futility race.

There is little doubt in my mind that Julio Mariner will have won on that day at Doncaster, but for his luck in

Brigadier Gerard was never at

least as good as his opponents.

He did exceptionally well in

going down by only a length and a half to Shirley Heights.

I shall be disappointed if Julio Mariner fails to turn the tables on Shirley Heights this afternoon in going down by only a length and a half to Shirley Heights.

There are strong grounds for expecting a fine run from each of these fine-looking home-bred colts.

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stand still. At
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All of these securities having been sold, this advertisement appears as a matter of record only.

\$100,000,000



Household Finance Corporation

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May, 1978

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PKbanken

MINING NEWS

Profits rise steadily at Charter

BY PAUL CHEESERIGHT

CHARTER CONSOLIDATED, the London arm of Anglo American, the South African mining finance house, yesterday declared a final dividend to give shareholders the maximum they may expect under current legislation.

The final for the year ending last March is 5.27645p, making a total distribution for the period of 12.57795p compared with 11.4345p in 1976-77.

Net profits for the year showed an increase broadly in line with expectations, moving up to £28.7m, from £22.58m in the preceding financial year.

But the group remains troubled by the weight of extraordinary items which were £21.68m, compared with £9.22m in 1976-77, covering provisions as against Cleveland Potash, the investment in Botswana RST and the net effect of currency provisions.

This means that instead of transferring £2.19m to the reserves, as was the case in 1976-77, there is a deficit of £4.9m. The continued difficulties at Cleveland Potash, which is running below break-even point and at some 40 per cent of capacity, has led Charter to provide £7.5m against its investment. This is the first of three elements among the extraordinary items.

The second is a provision of £6m against the investment in Botswana RST, which reflects the operating losses of the Selebi-Pikwe nickel-copper venture, and the third is a £1.4m extraordinary item.

But there have been events working to Charter's advantage as far as investments are concerned, as the group has received £10.5m from £18.58m in 1976-77, helped by the payment of a special interim dividend by Anglo American, where the group's stake is 6 per cent, and higher dividends from Anglo American Investment Trust, which gains a large portion of its revenue from De Beers Consolidated. The Charter stake is 10 per cent.

The relevant documents have been filed with the authorities in Maine and New Jersey, where off-

erations are at an advanced stage.

There is a deficit of £8.2m on currency movements. The strength of the pound in the later part of the year, against the U.S. and Canadian dollars, and the additional liability of foreign loan because of the depreciation of the pound against the Deutschmark, contributed to the deficit.

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Harties final

EXPECTATIONS of a silver dividend policy by Balfour Beatty, which is the South African arm of the group, were amply justified yesterday, it declared a 15c

This brings its total dividends for the year to 45c cents, nearly double the 22 cents paid in 1976-77.

Yesterdays declared a final dividend of 15c cents, making 16 total for the year.

Net profits, however, were

down 25.7% to £18.06m after the

£1.5m fall in the group's

mining operations.

Newman Inds. in good position

Banking figures

(as table 9 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

1—Banks	May 17, 1978	Change on month
	£m.	£m.
Eligible liabilities		
U.K. banks		
London clearing banks	24,937	+251
Scottish clearing banks	2,707	+49
Northern Ireland banks	841	+15
Accepting houses	1,906	-16
Other	6,461	+124
Overseas banks		
American banks	4,140	+149
Japanese banks	263	-1
Other overseas banks	2,996	+32
Consortium banks	245	+7
Total eligible liabilities*	44,495	+613
Reserve assets		
U.K. banks		
London clearing banks	3,346	+90
Scottish clearing banks	363	+10
Northern Ireland banks	118	-1
Accepting houses	288	+2
Other	887	+7
Overseas banks		
American banks	613	+18
Japanese banks	40	+3
Other overseas banks	189	+40
Consortium banks	49	+2
Total reserve assets	6,195	+87
Constitution of total reserve assets		
Balances with Bank of England	351	-4
Money at call:		
Discount market	3,339	+37
Other	216	-30
Tax reserve certificates	—	-
U.K. Northern Ireland Treasury Bills	918	+75
Other bills:		
Local authority	118	+18
Commercial	755	-11
British Government stocks with one year or less to final maturity	498	+2
Other	—	-
Total reserve assets	6,195	+87
Ratios %		
U.K. banks		
London clearing banks	13.4	+0.2
Scottish clearing banks	12.4	+0.1
Northern Ireland banks	14.0	-0.4
Accepting houses	15.1	-
Other	12.7	-0.3
Overseas banks		
American banks	14.8	-0.1
Japanese banks	15.2	+1.2
Other overseas banks	16.3	-1.5
Consortium banks	19.9	+0.1
Combined ratio	13.9	-

N.B.—Government stock holdings with more than one year but less than 18 months to final maturity amounted to £328m (up £315m). This is the first time that the company has marketed a guaranteed income bond. Previously, it was offered at a very low level and after a brief rally in March and April had continued to a guaranteed growth plan only. Now it has a 10% p.a. interest-bearing income within the same contract period. The minimum investment is £1,000 and the maximum amount £50,000. Eligible liabilities were £30,986m (up £707m).

Special deposits at May 17 were £1,284m (up £38m) for banks and £10m (unchanged) for finance houses.

*Interest-bearing liabilities amounted to £1,76m and £10m (unchanged) because of the nature of such eligible liabilities were £30,986m (up £707m).

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Notice of Redemption

Massey-Ferguson Nederland N.V.

9 1/4% Guaranteed Sinking Fund Debentures Due July 1, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of July 1, 1975 under which the above described Debentures were issued, Citibank, N.A., as Fiscal Agent, has drawn by lot, for redemption on July 1, 1978, through the operation of the sinking fund provided for in the said Agreement, \$1,000,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF \$1,000 PRINCIPAL AMOUNT OUTSTANDING

56 1	397	5458	8096	10444	15705	14418	22303	22305	22306	32314	37298
56 2	2648	5437	8070	12740	14824	17203	17444	22307	22308	32324	37299
56 3	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 4	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 5	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 6	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 7	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 8	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 9	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 10	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 11	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 12	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 13	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 14	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 15	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 16	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 17	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 18	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 19	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 20	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 21	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 22	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 23	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 24	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 25	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 26	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 27	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 28	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 29	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 30	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 31	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 32	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 33	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 34	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 35	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 36	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 37	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 38	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 39	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 40	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 41	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 42	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 43	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 44	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 45	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 46	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 47	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 48	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 49	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 50	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 51	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 52	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 53	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 54	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 55	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 56	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 57	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 58	2448	5424	8096	11263	12777	14845	17207	15842	22376	32324	37298
56 59	2448	5424	8096	11263	12777						

Central & Sheerwood sees more growth

INDICATIONS are that 1978 will show further record results for Central & Sheerwood and Mr. Francis Singer, chairman, feels that the group is well set to continue its progress and prosperity for the years ahead.

During the year a number of projects, including the walking dragline, will make their first contribution to profits. Smaller acquisitions are constantly being considered and the directors would also consider a major transaction should a suitable opportunity occur.

In the year 1977 group pre-tax profits expanded from £3.4m to £4.7m, with earnings per share rising from 4.29p to 6.2p.

Net tangible assets increased from £13.6m to £15.5m. Liquidity improved considerably during the year—net short-term borrowings were reduced from £1.12m to £0.97m.

Despite the problems of the British Motor Car industry the Dunn Group offshoot, which specialises in the production of high quality non-ferrous castings, made further progress. Its export business is expanding and promises continuing growth for years ahead.

Trans Rodfrye which has a significant share of the solid fuel domestic oil and central heating boiler market had a good year after a thorough reorganisation and made a significant contribution to profit. Dawson MMP, the hospital sterilising and catering equipment makers, was turning at a profit towards the end of the year.

The chairman said that this group is well set to become a significant force in a market which up to now has relied far too much on imported equipment.

Newton Chambers Engineering had an excellent year with profits rising steeply. Photopia has lived up to its expectations at the time of the offer and the chairman feels that the current growth trend will continue.

The scope for the group's financial services is expanding and further growth is expected.

The pre-tax profit adjusted in accordance with the Hyde option at May 1, 1979, to make the company a wholly owned subsidiary. It will make a substantially improved contribution to 1978 profits, he says.

The acquisition in May this year of City Estates, a residential property company in Glasgow, has enabled the group's property division to replenish its stock of review.

Current trading in all group divisions is buoyant, with the exception of the motor supplies operations, which remain disappointing.

In 1977 pre-tax profit of Scottish Heritable improved from £0.54m to £0.57m.

Meeting, Glasgow, June 28 at noon.

Fall in dollar hits Burrough

MAINLY REFLECTING the reduction in the value of the dollar, pre-tax profits of James Burrough, the Beefeater pin group, declined from £3.22m. to £3.12m. in the year ended February 28, 1978. Turnover improved from £24.7m. to £25.82m.

A second interim dividend of 5.07p was declared taking the total up from 4.9p to 4.23p. Burrough is a public but unquoted concern.

Scottish Heritable sees growth

The arrangement to buy further shares in Trans-Continental Carpets and the acquisition of City Estates will have a beneficial effect on 1978 profits at Scottish Heritable Trust, Mr. A. Cochrane Duncan, the chairman says in his annual statement.

He says that the three London hotels and the Mill Hotel in Suffolk had a most successful year. Occupancy in its London hotels remained at a high level.

For the current year, after a slow start directors expect a busy year, he says. However, the company has yet to complete the modernisation of its vacant office space or to find tenants.

Profit is subject to tax of 10.47m (£0.34m). Last year there were extraordinary credits of 10.47m.

He says Trans-Continental has been trading well and that by December 31, 1978, it will be at least 50.6 per cent owned.

The group intends taking up its 6.2072368p net per 25p share.

British Syphon improves

THE SLACKNESS in demand for cooling equipment at British Syphon Industries has continued into 1978 and is bound to offset some of the increased activity in other parts of the group, Mr. J. R. Eardley, the chairman, says in his annual review.

The group is, however, trading at a higher level than in the second half of 1977 when a pre-pressed 20.22m was earned, and Mr. Eardley trusts that this improvement will continue throughout the remainder of the year.

Last year while demand for cooling equipment from the brewing industry was lower, the group's market penetration was increased.

Efforts were also made to increase exports, resulting in a 37 per cent increase to 10.34m. The costs involved were considerable and the real benefits will only be felt in the future as markets develop, Mr. Eardley says.

Mr. J. Coull, the managing director, says the expansion of the dispensing equipment division facilities which began in 1976 continued last year with the acquisition of further production areas. This is due to come on stream this year.

The engineering division will also benefit in the future from greatly improved facilities, although the local and national shortages of skilled engineering manpower which continued last year may limit growth in the division in the future.

Completion of the revision of systems and the broadening of the product base as a prelude to further expansion in the merchandising division coincided with increased demand in the closing months of 1977 and this is likely to be sustained this year.

As well as increased activity in materials handling and storage products, franchises have been negotiated for new plastic materials which should have wide demand in the future.

At year end net current assets of the group were up from £2.12m to £3.04m. Industrial and Commercial Finance Corporation and one of its associates is a substantial shareholder with 849,122 shares, and is also a major lender to the group.

This advertisement is not to be construed as a public offering in any province of Canada of the securities mentioned herein.

\$60,000,000

The Royal Bank of Canada

9 1/4% Debentures

To mature June 1, 1986

Price: 100 and accrued interest

Copies of the offering circular may be obtained from such of the undersigned and other dealers as may lawfully offer these securities in this province.

Wood Gundy Limited

Merrill Lynch, Royal Securities Limited

Greenshields Incorporated

Richardson Securities of Canada

Levesque, Beaubien Inc.

Tasé & Associés, Limitée

Andras, Bartlett, Cayley Ltd.

Mead & Co. Limited

Bull, Gouinlock & Company, Limited

F. H. Deacon, Hodgson Inc.

Scotia Bond Company Limited

McNeil, Mantha, Inc.

Nesbitt Thomson Securities Limited

Pitfield Mackay Ross Limited

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Equitable Securities Limited

Maison Placements Canada Inc.

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Casgrain & Company Limited

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John Graham & Company Limited

May 1978

Why have 144 of the world's largest companies moved to Puerto Rico?

(Puerto Rico is the ideal gateway to a 230 million-consumer market: the U.S.A.)



Manufacturing in Puerto Rico is manufacturing in the U.S.A. The Commonwealth of Puerto Rico is an integral part of the United States. Any product manufactured in Puerto Rico carries the stamp "Made in U.S.A." which allows it to enter the U.S. market without paying custom duties or surcharges.

Advantages like its people, Puerto Rico's work force is abundant (one million strong, with 51% under 35 years of age), skilled (average of 11.7 years of schooling) and more productive (average of \$4.03 on the dollar v.s. \$3.36 for Mainland U.S. workers), average hourly wage is \$3.00 v.s. \$2.72 for Mainland U.S. workers.

The Government of Puerto Rico grants heavy investment incentives up to 100% tax exemption for periods between 10 and 20 years. It also assists new industries with the construction or leasing of its industrial buildings. And it facilitates repatriation of profits.



Manufacturing in Puerto Rico offers many more advantages. To get to know them all, just mail the attached coupon.

Puerto Rico Industrial Development Authority, Calle Núñez de Balboa, 39, 3rd floor, Tel. 375 49 07, D-6000 FRANKFURT/MAIN Federal Republic of Germany, Zurich-Haus-Pavillon. I want to find out all the advantages of investing in Puerto Rico.

Name _____

Company _____

Address _____

Product I am interested in manufacturing in Puerto Rico _____

It is time you found out all the advantages of investing in Puerto Rico/U.S.A.

The Scottish Heritable Trust Limited

Mr. A. Cochrane Duncan, CA, covered the following points in his statement to shareholders for 1977.

1977 Results: The Group Profit before tax for 1977 increased to £566,957 (£253,135), a record for the Group despite the reduction of £108,520 in income resulting from the sale of the Plant Division. These figures include the Group's share of the profits of the Associated Company, Trans-Continental Carpets Limited and its subsidiary, Kayam Carpets Limited, acquired during the year.

Dividend: A final dividend of 0.699p is recommended making a total for 1977 of 1.349p, the maximum permitted.

Exports: Exports during 1977 amounted to £1,727,296 (£1,471,257).

Scrip Issue: A scrip issue of one new Ordinary Share for every two held is recommended.

Current Trading: Current trading is buoyant in all divisions with the exception of the Motor Division which is still disappointing. The 1978 Group Profits should show a further increase with the benefit of a substantially increased contribution from Trans-Continental Carpets Limited which will become a subsidiary during the year and also from the acquisition of City Estates Limited, the new property subsidiary. Increased reserves leave the Company well placed for further acquisitions.

Registered Office: 11 George Square, Glasgow G2 1DY.

CAMPBELL

Complete another record year by winning the Queen's Award for Export Achievement for Export Achievement

"Camrex Limited, our marine subsidiary company, deserve our warmest congratulations on winning the coveted Queen's Award for Export Achievement.

"The Camrex Group as a whole offers a service which spans the world. In order to achieve the Group strategy of supplying goods and services at short notice, we have a network of agents to complement our subsidiaries and associates—the Camrex name is therefore represented on every Continent."

Alex G. Cameron, Group Chairman



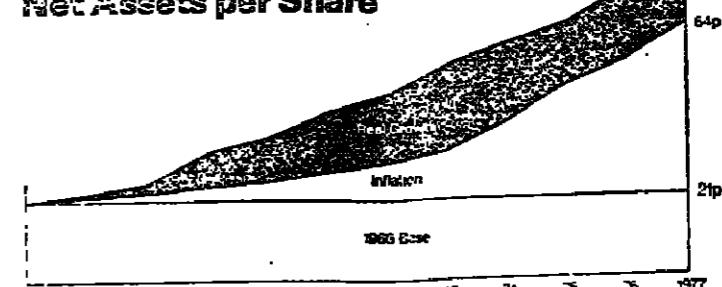
"Reward for efforts in the export field came in April, 1978 when Camrex Limited had the Queen's Award for Export Achievement conferred upon them. We are justifiably proud as this is not only a recognition of the achievements of the marine division personnel involved, but also indirectly recognition of the many other Group support services. The award is an added incentive for us to continue to retain and increase our activities in the export markets of the world".

A. Miller, Chairman, Camrex Limited

Financial Highlights

	1977	1976
Turnover	£'000	£'000
Profit before taxation	24,209	24,522
Profit after taxation	1,960	1,764
Earnings per share	979	623
Net assets per share	11.51p	10.36p
	79.96p	79.05p

Net Assets per Share



Record Profit

In view of the difficult market conditions experienced during the year the increase in pre-tax profit of 20.2m to £1.96m is a most encouraging performance. The profit to sales ratio has improved from 7.6% to 8.1%.

Trading

1977 is the first year in the history of the company when the results of the industrial activities have exceeded those in the marine field; this endorses the policy laid down some years ago, to expand the business outside the shipping and shipbuilding industry. However, we have continued to increase our production capacity for marine coating overseas and we have recently opened a new factory in Brazil and taken an interest in a company in the United States.

Dividends

Following the rights issue dividends have been increased by 20% to a net 3.96p (gross 6.0p) compared with 3.24p (gross 4.38p) in 1976. Since becoming a public company the group has maintained a level of growth sufficient to ensure that dividends have been increased each year and that the asset-backing of the group's shares has kept ahead of general inflation.

Copies of the report and accounts are available from The Secretary, Camrex (Holdings) Limited, Camrex House, Sunderland.

Liquidity

There has been a further improvement in liquidity with net borrowings of £0.3m at 1.17% being transformed into net funds of £1.3m at 31.12.77 an inflow of £1.6m. In addition to the £0.5m generated from trading, £1.1m was raised from the rights issue. From this strong financial base the group has the ability to exploit opportunities for future expansion.

The Future

Addressing the Annual General Meeting, held in Sunderland on the 6th June, The Chairman said: "The continued recession in shipping and the bad weather in the early part of the year have resulted in the Group profit being well below expectations. Half year profits will be less than last year. However, it is anticipated that the results for the full year should be satisfactory".



MANUFACTURERS OF SPECIALISED SURFACE COATINGS, WORLDWIDE ANTI-CORROSION ENGINEERS AND CONTRACTORS.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

Recovery at Campbell Industries

By Our Financial Staff

SAN DIEGO, June 6.

IN A SERIES of related announcements, Campbell Industries, a shipbuilding concern that has been trying to work itself out of past financial difficulties, said it has restructured its bank and trade debt and received an increased bank credit line. The company also said it expects to report that it broke even for the year ended March 31, compared with a year-earlier loss of \$6.9m.

But Campbell also said that because of its inability to obtain performance bonding, a subsequent construction financing, it has had to cancel orders placed for it to build 14 tug boats valued at about \$70m.

Mr. Paul J. Stevens, the president, said that Campbell could not obtain the bonding because of losses suffered on other shipbuilding contracts.

When Campbell completed three other ships currently under contract along with two tug and supply boats, the company and its lenders will be in a position to re-evaluate Campbell's new ship construction programme. "We hope that Campbell can then pick up or mutually acceptable terms some or all of the 14 orders we had to cancel," he added.

Under the terms of the debt restructuring, Campbell agreed to repay immediately 38 per cent of about \$8m in trade and bank debt whose due date had been extended under an agreement worked out in February 1977. Campbell said it had paid its 184 trade creditors \$1m and Security Pacific National Bank, a unit of Security Pacific Corporation \$1.6m. It still owes trade creditors \$1.7m and the bank \$3.1m.

The remaining debt will be paid in installments with a final payment of \$2.3m due on April 15, 1981. Interest will be paid quarterly at the rate of prime plus 1.5 per cent and the principal amount will be secured by Campbell's fixed assets.

It currently appears that approximately a break-even situation, said Mr. Stevens. Campbell will make a fourth-quarter loss of \$1.5m to \$2m on the tug and supply boat contract, which will be somewhat offset by profits from other operations. For the nine months ended December 31, Campbell reported net income of \$65.6m or 88 cents a share after an extraordinary credit of \$38.4m.

Campbell Industries common stock, which was suspended in New York at \$6.75 on Monday, re-opened at \$5.25-\$5.75 yesterday.

AP-DJ

Pharaon bids for stake in Texas petroleum group

BY JOHN WYLES

NEW YORK June 6.

SAUDI ARABIAN businessman Mr. Ghaith Pharaon, who last week made a \$12.3m tender offer for a 60 per cent stake in the National Bank of Georgia, is considering a \$10.5m investment in a Texas petroleum company.

Mr. Pharaon is a shadowy 37-year-old entrepreneur whose investments in the last 18 months include land in Louisiana and membership of a group which took a controlling interest last August in the Main Bank of Houston. Since then he has given him a 10 per cent holding in the Dallas-based energy company, which is the son of half of the 17 per cent stake in the National Bank of Georgia he held by Mr. Bert Lance, the son of President's former Budget estate.

A spokesman for the company said today that it did not intend to oppose the proposed tender offer, which meets Mr. Pharaon's condition for proceeding.

Mr. Pharaon is clearly bent on expanding his interests in the sunbelt, for his Houston lawyer, Mr. Frank van Court, today announced that the Saudi was considering making a tender offer for a minimum of \$16.1m.

OKC's shares were suspended from trading on the New York Stock Exchange this morning, but its closing price last night was \$18. The company earned \$8m (\$2.10 per share) in 1977 on sales of \$167.1m.

OKC has been described as the largest forest products company in the world that does not disclose its production figures, its sales volume or earnings. The giant subsidiary of International Paper of New York, the world's number one paper company, is believed to have sales in the vicinity of \$750m a year.

If the company is going to go public, even a few years down the road, it should be more

transparent, "he said. "It makes no sense to have a company that is so large and so successful not disclose its financials."

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Multinationals and the New Order

MULTINATIONAL companies around the world have been under constant pressure for years now, ever since changing economic and political conditions—especially in Third World countries—since the 1960s—have prompted the call for a New International Economic Order.

Criticised, investigated and progressively constrained, they have emerged with a persecution complex as the whipping boys of governments. Understandably they have become defensive. So it is easy to understand their hostility towards the latest body to take an interest in their affairs, the United Nations. The UN Commission on Transnational Corporations, an inter-governmental subsidiary of the UN Economic and Social Council, recently met in Vienna. The volume of paperwork to ensure anything is to go by, some progress has been made towards creating a new international regulatory framework.

The Commission does not have far to go before recommending a Code of Conduct as well as action against corrupt practices. It has agreed to the establishment of an inter-governmental body to continue the work of a group of experts on formulating international standards of reporting and accounting. These include minimum requirements for financial and "social" disclosure in annual reports which go beyond current practice even of the U.S.

The Commission is also preparing to establish a comprehensive information system on multinationals (to include a databank) whose interests will be tailored to the needs of host countries. All these preoccupations will, in the fullness of time, have a direct effect on the activities of multinationals. If agree-

ment is reached, member governments of the UN will be asked to implement the recommendations, possibly through national legislation.

While the multinationals might feel besieged, this has apparently not affected their growth in recent years. According to the latest UN study on the subject, direct investment by multinationals in foreign countries increased by 80 per cent to \$257bn between 1971 and 1976. Nearly 75 per cent of this capital investment is concentrated in developing countries and that proportion has been ready for implementation by 1980.

This recommendation was not received without misgivings. Some delegations, particularly the U.S., doubted whether a new high level subsidiary body was necessary bearing in mind the great practical difficulties and limited progress achieved so far.

The ICC, in its reply, believed it would be unwise to convene an inter-governmental working group of experts. It would have preferred to have seen a more evolutionary approach.

It believed that the UN should set rules for corporate disclosure only after the development of basic accounting standards. The ICC recommended that established non-governmental professional bodies, such as the International Accounting Standards Committee, should be urged to continue and accelerate their work on the harmonisation of accounting standards.

The ICC's recommendation is, meanwhile, a reminder of the number of other bodies now drawing up an international set of standards for reporting and accounting. It is this—and the Commission's interest in bringing in minimum disclosure rules for European Economic Community countries. All these preoccupations will, in the fullness of time, have a direct effect on the activities of multinationals. If agree-

ment before it is released. They are all making life more difficult for multinationals, but the multiplicity of their efforts and confusion of their efforts does not seem likely to deter the UN.

They generally described most of the proposals as unnecessary and discriminatory. They are fighting back through the International Chamber of Commerce (ICC) and other lobbying bodies. But the Vienna conference endorsed the work done so far.

As part of its task, this system will focus on the collection and analysis of policies, laws and regulations pertaining to multinationals. It will analyse the role of multinationals in specific industries. It will also catalogue general and detailed information on a wide range of subjects as well as contracts and agreements with host countries.

Again, multinationals have cried "rape," fearing, among other things, that they will be forced to release confidential information and once handed over, the information will be distorted.

The ICC says that the only valid sources should be the multinationals' own published material and information issued by governments or inter-governmental bodies.

While welcoming the commission's view that it would be improper to include information which the source wishes to keep confidential, the ICC considered it essential that multinationals have clear access to the data collected on them. Also, multinationals' interest in bringing in minimum disclosure rules for European Economic Community countries. All these issues, particularly the reporting and

accounting developments and the establishment of a comprehensive information system, are eventually going to have far-reaching effects on companies. The UN Commission on Transnational Corporations has taken the bit between its teeth, and it is determined to carry out its mandate—even if it hurts.

Multinationals would do well to realise that the UN, ineffective as it might appear at times in the political arena, has the power to influence them. So far, apart from the contentious Southern African issue, agreement has been reached by the Commission on every issue—and it seems likely that this pattern will continue.

However, it would not be unfair to suggest that if multinationals are being asked to come clean about their activities to the UN, for its part, should be equally frank. If its proposals come to fruition, multinationals are going to feel very exposed and vulnerable.

It will undoubtedly make matters worse if no way is found to overcome their concern about verification of facts fed into the UN's databank, which could be subject to adjustment in order to make them comparable.

In the words of the ICC, "leaving it to the sole judgement of the Centre (on Transnational Corporations), whether to verify information involving an element of arbitrary discretion, and thus creates a legal uncertainty..."

UN officials are known to be against giving multinationals the right to dispute the validity or accuracy of information once it has passed to them, arguing that it would be administratively impractical.

The Vienna conference did not commit itself on the question of verification. It might have

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PRIMROSE INDUSTRIAL HOLDINGS LIMITED

Announcement to Shareholders

With reference to the announcement on 5 May 1978 that agreement had been reached in principle for the purchase of Aloe Minerals (Proprietary) Limited, subject to certain conditions precedent, the Board of Primrose announces that within the time allowed by the vendors it has not been able to satisfy itself in full regarding these conditions precedent. It has consequently decided not to proceed with this acquisition.

On behalf of the Board
A. R. KEMP
Executive Chairman
D. J. GEVISER
Managing Director

5th June 1978

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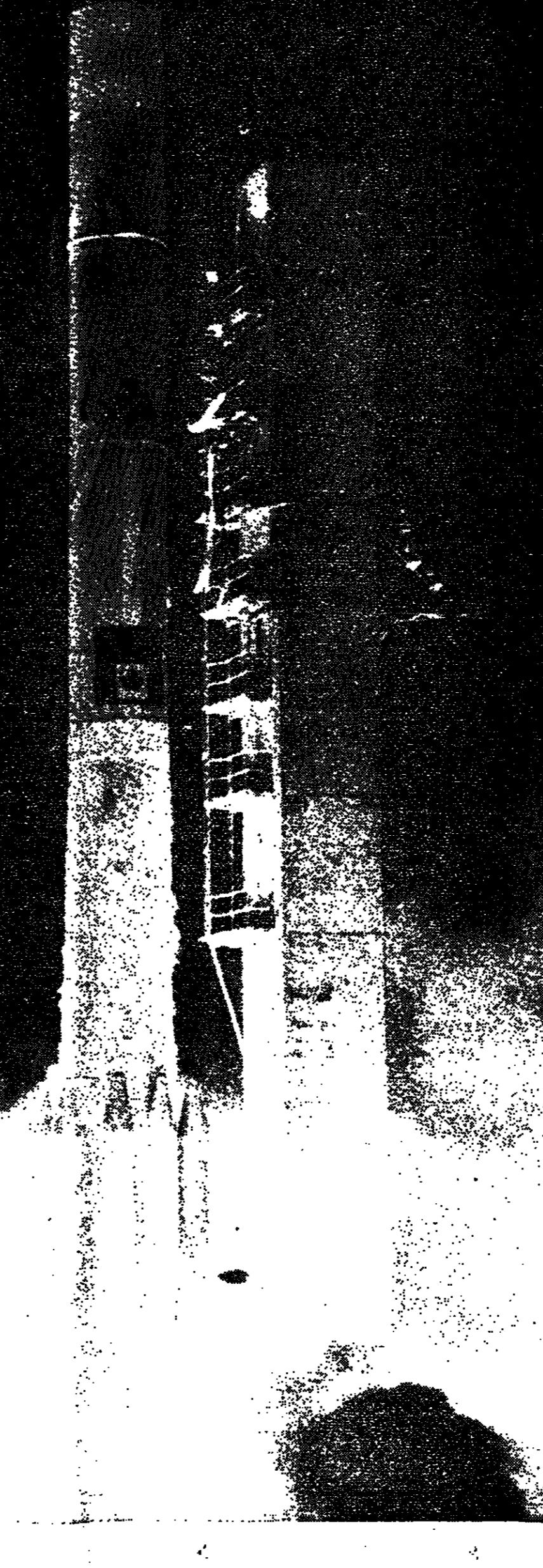
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INTL. FINANCIAL AND COMPANY NEWS

SOUTH AFRICAN COMPANIES

Further merger moves at Bankorp

BY RICHARD ROLFE

BANKOPR, THE bank holding company of the Sanlam insurance group, has taken further steps to rationalise its banking interests. These were swelled a year ago by the reverse takeover of Trust Bank, which has been progressively digested in the meantime. Having recently acquired the small Santambank another of Sanlam's "trade investments", Bankorp is to merge Santambank with another wholly-owned subsidiary, Credit Bank. The combined group will have assets totalling R800m, a known name, the opportunity of Santambank, a well-staff of 1,800, and 80 branches, was taken to drop Credit Bank ties, but the possibility of subse-

out of the marketing picture and to continue the cutback of the small banking groups which sprung up in the 1950s and 1960s.

The prospect of a merger between Credit Bank, Santambank and Trust Bank has been widely aired, but thinking in Sanlam and Bankorp appears to favour running the enlarged Santambank group in competition with Trust Bank despite the fact that both are in the same stable. Bankorp's present plans involve putting both groups on the example, shared computer facilities, but the possibility of subse-

Higher income for Metal Box

BY OUR OWN CORRESPONDENT

METAL BOX South Africa, 59.5 per cent owned by Metal Box UK, has reported an improvement in net operating income for the year to March 31. It indicates, however, that this increase has mainly been contributed by its new subsidiary, Metal Rollings, which has been included for nine months.

Turnover rose from R158m to R168m (\$193m), and net operating income from R10.9m to R13.3m (\$1.5m). After allowing for other items, such as reduced net interest paid, higher preference dividends following last year's issue of convertible preference shares and a slightly higher tax rate, attributable income rose from R5.2m to R6.5m.

Earnings per share are 0.4 cents up at 25.9 cents but this figure is based on the weighted average number of ordinary shares in issue, up from 20.3m to 24.9m. The dividend has been maintained at 25 cents, putting the shares at 260 cents on a yield of 8.6 per cent, at which price they are also in line with the conversion terms on last year's convertible preference share basis since April 1976, so that

JOHANNESBURG, June 6.

Sales at Metal Box itself showed marginal growth in value terms, but fell in volume terms. Reduced fishing quotas in southwest Africa have caused a 40.7m ton over the year. This was less than the 8m ton loss the group earlier anticipated and in addition can now be offset against South African profits. The change here is due to the constitutional right that Walvis Bay has been reabsorbed into South Africa for administrative purposes.

In the past, Walvis Bay operations of South African companies were classified as foreign, and in terms of South African law, losses in foreign companies cannot be offset against domestic profits.

Fishing problems aside, Metal Box should respond to any improvement in the local economy, with its strong consumer orientation, while there are plans to diversify the Walvis Bay plant away from fishing cans.

Dividend policy remains to pay out 85 per cent of earnings, which have been stated on an LIFO basis since April 1976, so that

the dividend is not as imperilled as it looks at first sight by the low level of earnings cover.

Meanwhile, Wong Sulong writes from Kuala Lumpur that Metal Box Malaysia has reported a 25 per cent rise in pre-tax profits to 6.4m ringgits (US\$2.7m) for the year to March, and is paying a final dividend of 13 per cent, bringing the total for the year to 18 per cent, against 15 per cent the year before.

Sales rose by 7.5 per cent to 52m ringgits (US\$2.2m), and the company said that gains from production and cost economies were reflected in the profit. The company's second-half performance did not match that of the first-half, mainly, it said, because of lower sales of products with higher profit margins and the effects of inflation. Pre-tax profit for the first half was 3.5m ringgits.

The British parent company holds 52.4 per cent of the shares of Metal Box Malaysia, while 19 per cent are held by Singapore residents and the rest by Malaysians.

Uncertain outlook at United Plantations

BY WONG SULONG

AFTER ACHIEVING a record profit of 26.8m ringgits (US\$11.2m) before tax last year, United Plantations, the Danish palm oil group in Malaysia, sees a period of uncertainty ahead in view of increasing competition for palm oil from other fats.

Unlike Kuala Lumpur-Kepung, which sees an "even chance" of repeating its record performance of last year, United Plantations chairman, Mr. W. O. Grut, says the present high price for palm oil was unexpected, and contrary to long-term bearish conditions.

The present tight market for palm oil in the Malaysian market appeared to be "temporary" because of the decline in output

KUALA LUMPUR, June 6.

due to the drought. Indications are that there will be a larger than expected surplus of soybean in the second half of the year, with greater planning by the U.S. and Canada, making a profit of 11m ringgits last year and turnover of 16.5m ringgits. This does not include groundnut and cotton seeds also expected to increase.

Mr. Grut disclosed that discussions are underway for Uniteda, the giant palm oil refinery in course.

Sime Darby development

BY OUR OWN CORRESPONDENT KUALA LUMPUR, June 6.

SIME DARBY Holdings, which that through a U.S. subsidiary, it recently returned ownership of the Orchard Towers complex in Singapore in a deal with Golden Bay Realty, has announced that it will build a seven-storey factory on the island republic for 17m ringgits (US\$7m).

Work on the project, which will comprise 235,000 sq ft of industrial and showroom space, is due to start next month and the building is expected to be ready for occupation within 21 months. Units of varying size are to be offered for sale.

The two-store site was formerly occupied by Singapore Steam Laundry, a Sime subsidiary. Sime Darby also announces

The net cost will be US\$282,000, plus an additional amount to reflect inventory acquired since March 1. In addition, Sime has agreed to assume certain liabilities.

Cornell has a turnover of US\$25m. It will, it is said, complement the group's marketing operations in Kuala Lumpur and London and increase access to the world's largest rubber-consuming market. It will also provide a base on which to expand Sime Darby's U.S. trading in other commodities.

Jardine Matheson deal

BY ANTHONY ROWLEY HONG KONG, June 6.

Jardine Matheson has made a further payment of US\$35m to its Saudi Arabian associate, Transoceanic and Trading Company Inc., in consideration for the cancellation of the ordinary shares of JM(SEA) which they hold, on the basis of US\$2.90 nominal of the loan stock up from 25 to 40 per cent.

The Transport and Trading group is involved in activities such as car sales, other consumer-product marketing, and transportation. TTI contributed 6 per cent of Jardine's earnings in 1977. This latest payment is in line with the original agreement whereby Jardine would increase its stake in TTI as certain profit levels were achieved.

Meanwhile, Jardine Matheson and Co. (South East Asia) has announced that underwriting has been completed in respect of some US\$39.15m of 8 per cent guaranteed unsecured loan stock for 1985 of Jardine Matheson Investments (South East Asia), a wholly-owned subsidiary.

The bank intends to raise US\$39.15m by a flotation intended that the loan stock will

Bank Adanim plans flotation

BY L. DANIEL TEL AVIV, June 6.

BANK ADANIM—One of Israel's smaller mortgage banks—reports that its after-tax profit for 1977 rose by 54 per cent to 16.5m (US\$20.5m), while its balance sheet total grew by 42 per cent to over 125m. Earnings per share came in 100 per cent (65 per cent in 1976).

The bank intends to raise US\$49.50m by a flotation

intended that the loan stock will

NatWest Registrars Department

National Westminster Bank Limited has been appointed Registrar of

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National Westminster Bank Limited
Registrar's Department
PO Box No. 82
National Westminster Court
37 Broad Street
Bristol BS9 7NH

Telephone Bristol (STD Code 0272)
Register enquiries 290711
Other matters 297144

Caution at Utico over recovery

By Our Financial Staff

JOHANNESBURG, June 6. The prospect of a merger between Credit Bank, Santambank and Trust Bank has been widely aired, but thinking in Sanlam and Bankorp appears to favour running the enlarged Santambank group in competition with Trust Bank despite the fact that both are in the same stable.

Bankorp's present plans involve putting both groups on the

example, shared computer facilities, but the possibility of subse-

This announcement appears as a matter of record only.

US\$15,000,000

Kashan Industries Corporation

Incorporated in Iran

Guaranteed by

Industrial Credit Bank

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First Boston (Europe) Limited

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Bayerische Vereinsbank International S.A.

Mercantile Trust Company N.A.

Provincial Bank of Canada

Banque Bruxelles Lambert S.A.

Credit du Nord

Credit Suisse

Nippon European Bank S.A.

Swiss Bank Corporation

Agency Bank:

Credit Suisse

All these securities having been sold, this advertisement appears as a matter of record only

US \$75,000,000

Occidental International Finance N.V.

8 1/8% Guaranteed Notes due 1985

Unconditionally Guaranteed as to Payment of Principal and Interest by



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Banque Bruxelles Lambert S.A.

Banque de Paris et des Pays-Bas

Kredietbank S.A. Luxembourgeoise

Swiss Bank Corporation (Overseas) Limited

Al-Sondi Banque

Alahli Bank of Kuwait (K.S.C.)

The Arab and Morgan Grenfell Finance Company Limited

Banca Nazionale del Lavoro

Banca della Svizzera Italiana

Bache Halsey Stuart Shields Incorporated

Bank Julius Baer International Limited

Bank Leu International Ltd.

Bank Mees & Hope NV

Bankhaus Hermann Lampe Kommanditgesellschaft

Banque Générale du Luxembourg S.A.

Banque Internationale à Luxembourg S.A.

Banque Louis-Dreyfus

Banque Populaire Suisse S.A. Luxembourg

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30th JUNE 1978 REDEMPTION

PHILIPS INTERNATIONAL FINANCE S.A.

U.S. \$30,000,000 6 1/2% Loan 1979

REDEMPTION OF BONDS

Philip International Finance S.A. announces that for the redemption period ending on 30th June 1978 it has purchased and cancelled bonds of the above loan for U.S. \$640,000 nominal capital and tendered them to the Trustee.

The nominal amount of bonds to be drawn for redemption at par on 30th June 1978 to satisfy the Company's current redemption obligation is accordingly U.S. \$1,600,000 and the nominal amount of this loan remaining outstanding after 30th June 1978 will be U.S. \$5,600,000.

DRAWING OF BONDS

Notice is accordingly given that a drawing of bonds of the above loan took place on 10th May 1978 attended by Mr. Keith Francis Croft, Baker of the firm of John Venn & Sons, Notary Public, when 1,320 bonds for a total of U.S. \$1,600,000 nominal capital were drawn for redemption at par on 30th June 1978.

The following are the numbers of the bonds drawn:

1	8	13	20	21	25	27	31	34	41	50	58	91	97	117	118	128	134	136	138	139	145	178
128	198	201	210	213	225	226	231	232	241	241	242	243	244	245	246	247	248	249	250	251	252	253
328	347	348	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371
537	538	539	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560
621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643
625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647
1275	1276	1277	1278	1279	1280	1281	1282	1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297
1276	1277	1278	1279	1280	1281	1282	1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298
1277	1278	1279	1280	1281	1282	1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299
1278	1279	1280	1281	1282	1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300
1279	1280	1281	1282	1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301
1280	1281	1282	1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302
1281	1282	1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303
1282	1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304
1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305
1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306
1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307
1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308
1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309
1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310
1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311
1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312
1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313
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1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313	1314	1315
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1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313	1314	1315	1316	1317
1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313	1314	1315	1316	1317	1318
1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313	1314	1315	1316	1317	1318	1319
1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313	1314	1315	1316	1317	1318	1319	1320
1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313	1314	1315	1316	1317	1318	1319	1320	1321
1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313	1314	1315	1316	1317	1318	1319	1320	1321	1322
1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313	1314	1315	1316	1317	1318	1319	1320	1321	1322</	

FARMING AND RAW MATERIALS

Commission stalls on pigmeat ban

By Margaret van Hatten

BRUSSELS, June 6.

THE EUROPEAN Commission has responded sympathetically to French requests for increased support for pigmeat producers, but has not said whether they will be met.

The French asked specifically for a ban on imports from non-Community countries, a re-introduction of subsidies for pigmeat and a reduction of the market in private cold stores, and for export rebates to be raised back to last year's levels.

The Commission has referred a decision on the two latter points to its pigmeat management committee which meets on June 12 and indicated today that it felt the requests justified.

However, the French request for an import ban which would end soaring imports from the Community is almost certain to be rejected. But of these imports are found to be entering the Community below the suggested price, it is suggested that other measures might be adopted to close the gap.

New rubber price pact talks planned

IPON, MALAYSIA, June 6.

RUBBER-CONSUMING countries will continue negotiations with producing countries in November for an agreement on international price stabilisation for natural rubber, according to Mr. Paul Leong, Deputy Primary Industries Minister, reports Reuters.

He said producing countries had drawn up a draft text of the agreement and expected a further preparatory meeting to be held in September in Geneva.

World natural rubber production rose by 30,000 tonnes to 3.5m tonnes in 1977, figures issued by the International Rubber Study Group show. But consumption rose by 225,000 tonnes to 3.7m tonnes leading to a 155,000 tonnes decline in stocks to 1.43m tonnes.

Synthetic rubber production rose by 465,000 tonnes to 8.4m tonnes while consumption increased to 8.5m from 7.9m in 1976. Stocks at the end of December totalled 1.57m tonnes against 1.68m a year earlier.

Improve or perish, beet growers warned

By HILARY BARNES

EUROPEAN sugar-beet growers were warned here today to sharpen their efficiency or perish at the hands of the manufacturers of substitute sweeteners. The warning came from Mr. Stan Bischel of the American Crystal Sugar Company, the biggest beet concern in the U.S.

He said the U.S. beet industry was struggling for survival against a highly efficient, high technology corn-sugar industry, which was becoming the dominant force in the U.S. food industry.

"The hour is later than you think," he warned a congress of European beet growers. "Increase the efficiency of your industry on the farm and in the factory or perish as an industry more efficient."

He said that corn syrup could be expected to capture 50 per cent of the U.S. market by 1990.

From 1982 corn sugar would be available on the market as a spray-dried granular product, able to penetrate the market areas where liquid sweeteners were not acceptable.

No natural boundary or tariff or taxation would suffice to stop the high technology of the corn sugar industry. If beet growers wanted to ensure survival, they must seize the technological initiative themselves.

Mr. Henri Cayre, the EEC beet growers' leader, urged a hard line against isoglucose (corn syrup) sweeteners. "Europe, being a larger sugar exporter, ought to ban any sugar production from starch. Every kilo of isoglucose or glucose expels quota sugar to the world market."

Isoglucose was last year submitted to an EEC levy, which effectively stopped the expansion of production. Output this year is expected to be about 110,000 tonnes.

The beet growers want the EEC campaign to include the "medical rehabilitation" of

and glucose subjected to the sugar, against "unfounded" same taxes and production restrictions as beet sugar.

M. Cayre was outlining a system revised in 1980, in which the growers want a continuation of the national production quota system now in force.

Countries, such as France, Germany, Denmark and Holland, want bigger quotas. But other countries are not willing to give up quota shares, even when, as in the case of the UK, the full production quotas are not being utilised.

M. Cayre suggested a system of annual compensation for unutilised quotas to reconcile different countries on this point.

Sugar imported from beet and cane could become preferred to petrochemical extracts for re-exported with the help of EEC export subsidies, costing 300m units of account over the past year, according to M. Cayre.

The beet growers urged imports to be reviewed, the EEC should refuse to provide new delivery quotas.

But the EEC, they say, should give financial guarantees to assure the export price of sugar traded between the exporting and importing ACP (Africa, Caribbean, and Pacific) countries.

At present, said M. Cayre, the EEC countries overall import about 850,000 tonnes a year, but only 10,000 tonnes come from other ACP countries.

Reuter adds: Sugar could become a significant source of chemical and fuel products in the coming decades. Prof. August Vilots, of Tate and Lyle, told the meeting.

He said sugar from beet and cane could become preferred to petrochemical extracts for producing speciality chemicals.

This was because sugar was cheaper, easily broken down by microbes and acceptable to environmentalists.

As oil prices rose there was an increasing probability of alcohol being used to power cars he added.

Cut forecast in international wool supplies

BY OUR COMMODITIES STAFF

WORLD SUPPLIES of wool available will be reduced in the forthcoming season, according to Mr. Al Maiden, chairman of the Australian Wool Corporation, reports Reuter.

At present, the Government legislates to extend the scheme for each season. Floor price levels for 1978-79 will be announced at the end of the current season but the Government has said the market indicator floor will not be less than the present 284 cents a kilo clean.

Meanwhile, the Australian Wool Corporation has agreed to price its foreign stocks in both Australian and U.S. dollars. Mr. Maiden said this will allow buying houses the flexibility of dual currency operations.

To back up this arrangement the AWC has continued to replenish its European stocks.

Mr. Malcolm Vawser, general manager, marketing of the AWC, said the Corporation's stockpile at 993,266 farm-equivalent bales on June 1, was below 1m bales for the first time in over 31 years. The stockpile, peaked at 1.88m bales in October, 1975, and has declined steadily since.

S. African sales up

JOHANNESBURG, June 6.

BY BERNARD SIMON

THE VALUE of the South African wool clip for 1977-78 marketing season, which ended last week, was the second highest on record.

According to the Wool Board, 880,303 bales weighing 100.1m kilograms were sold during the season, realising R170m.

some R9m above earnings the previous year.

Despite a lower volume of exports, the decline in the value of the U.S. dollar, to which the South African rand is pegged, has maintained export earnings from raw and processed wools at last year's figure of about R180m.

A feature of the season, according to the Wool Board, was the high proportion of merino wool offerings sold at the Board's auctions.

Out of 700,088 bales on offer, 97 per cent were sold. In the case of karakul wool however, an average of only 80 per cent of the bales on offer were sold. In last week's auctions only a third of the karakul available was bought.

Auction prices climbed steadily during most of the season. The average price realised for greasy wools was 187.88 cents per kg, about 2 cents per kg higher than the 1976-77 average.

At 293.91 cents per kg, the average price for clean wools was almost 3 per cent above the previous season's average.

Copper cut denied

BY JOHN EDWARDS, COMMODITIES EDITOR

SOUTHERN PERU Copper announced by St. Joe Company firmly denied yesterday that it was planning to cut back deliveries by a force majeure declaration. It confirmed that there was a shortfall in the usual supplies of cathodes from Mierco Peru, causing delays and interruptions in shipments to Europe. But the company was operating normally and producing the normal amount of blister copper.

The London copper market had a quiet day yesterday, closing slightly higher. Other base metal values fared slightly.

Even zinc was lower despite a quick reaction by North American producer states when justified.

To qualify for shares of these reserve quotas, member states must prove they have exported at least 80 per cent of their original export quota.

Sharp fall in coffee market

By Richard Mooney

COFFEE PRICES fell sharply on the London futures market yesterday as dealers became convinced that the immediate danger of a serious Brazilian frost had passed.

The September position climbed to £1,980 a tonne at one stage but then slumped to £1,767 a tonne, £185.5 down on the previous close.

Market sources said the fall was mainly due to speculative profit-taking encouraged by reports of warmer weather in Brazil's coffee growing regions.

Minimum overnight temperature in the north of Parana, Brazil's main coffee growing area, on Monday night, were

World cotton crop estimate lowered

WASHINGTON, June 6.

WORLD COTTON production this season is projected at 64.2m bales (478 lbs net weight), down from 65.2m forecast last month, but still above the 58.3m produced in 1976/77. The International Cotton Advisory Committee (ICAC) said here, reports Reuter.

Output in China is estimated at 10m bales, about 1m below earlier expectations and the 1976-77 harvest.

This reduction is reflected by China's continuing heavy purchases on international cotton markets. Aggregate Chinese imports could exceed 1.5m bales against 620,000 last season.

The near record world cotton output this season is expected to exceed anticipated consumption by about 3.25m bales, thus increasing stocks as at August 1 from the unusually low level of 20.2m bales a year earlier.

But the market remains very nervous about the possibility of frost. The recent scare, which boosted prices by over 300, came much earlier than usual and the danger will not be completely passed for another two months.

With the memory of the 1975 frost, which cut Brazil's coffee crop by three-quarters and pushed bean prices up ten-fold, still fresh in dealers' minds, any new signs of lower temperatures can be expected to produce dramatic reactions in the market.

In Memphis, Tennessee, meanwhile, Mr. Arlie Bowling, U.S.

National Cotton Council economist, said U.S. cotton production could total 11.5m to 12.1m bales in 1978/79.

Exports should be reasonably close to this season's level, and domestic consumption should reach between 6.5m and 7m bales.

This could result in a somewhat lower carryover than the 5.4m bales projected for the current season.

With this season's domestic consumption expected to be about 6.8m bales, total usage for the current crop will probably end at 11.9m bales, he added.

A feature of the season, according to the Wool Board, was the high proportion of merino wool offerings sold at the Board's auctions.

Out of 700,088 bales on offer, 97 per cent were sold. In the case of karakul wool however, an average of only 80 per cent of the bales on offer were sold. In last week's auctions only a third of the karakul available was bought.

Auction prices climbed steadily during most of the season. The average price realised for greasy wools was 187.88 cents per kg, about 2 cents per kg higher than the 1976-77 average.

At 293.91 cents per kg, the average price for clean wools was almost 3 per cent above the previous season's average.

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The U.S. Agriculture Department says the average price of choice grade beef was a record \$3.18 a pound in May, up from \$3.16 a year ago.

But Mr. Bob Berglund, Agriculture Secretary, said nothing to see if the beef price increase begins to slow down on its own.

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WORLD STOCK MARKETS

Early fresh 9 rise on institutional demand

Indices

NEW YORK-DOW JONES

	1978						since beginning	
	June 5	June 2	June 1	May 31	May 30	May 22	High	Low
Industrial... Home Bds... Transport... Utilities... Exchanging 000's +	161.82 85.05 222.55 109.22 39,500	167.54 77.50 205.04 106.55 41,800	169.70 78.50 203.80 106.50 41,800	160.51 76.50 203.80 106.47 41,800	162.51 76.50 203.70 106.47 41,800	162.12 76.10 203.50 106.30 41,800	169.17 80.50 204.50 107.00 41,800	161.29 75.00 202.00 105.00 41,800

* Basis of index changed from August 24.

	June 2	May 26	May 19	May 16	May 15
Ind. div. yield %	6.30	6.50	6.45	6.41	6.35

* Year-to-date

	June 2	May 31	May 30	May 22	May 19	May 16	May 15
--	--------	--------	--------	--------	--------	--------	--------

	June 5	June 2	June 1	May 31	May 30	May 22	High	Low
Industrials... Composite...	118.55 89.35	116.48 86.14	117.51 86.82	117.25 86.82	117.25 86.82	117.25 86.82	119.04 86.82	115.25 86.82
Utilities... Exchanging 000's +	109.22 39,500	106.55 41,800	106.50 41,800	106.47 41,800	106.47 41,800	106.47 41,800	111.03 41,800	105.00 41,800

* Basis of index changed from August 24.

	June 2	May 26	May 19	May 16	May 15
--	--------	--------	--------	--------	--------

* Year-to-date

	June 5	June 2	June 1	May 31	May 30	May 22	High	Low
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* Basis of index changed from August 24.

	June 2	May 26	May 19	May 16	May 15
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	June 5	June 2	June 1	May 31	May 30	May 22	High	Low
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	June 2	May 26	May 19	May 16	May 15
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	June 5	June 2	June 1	May 31	May 30	May 22	High	Low
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	June 5	June 2	June 1	May 31	May 30	May 22	High	Low
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* Basis of index changed from August 24.

| | June 2 | May 26 | May 19 | May 16 | May 15 |
</tr
| --- | --- | --- | --- | --- | --- |

STOCK EXCHANGE REPORT

Dull late trend in Gilt-edged after banking figures

Industrial leaders edge higher—Index up 3.2 at 477.7

Account Dealing Dates
Option
First Declarer—Last Account
Dealers—Last Account—Dealing Day
May 15, May 25, May 26, Jun. 7
May 20, Jun. 6, Jun. 8, Jun. 9, Jun. 20
May 30, Jun. 12, Jun. 22, Jun. 23, Jun. 4

"Open time" dealings may take place from 9.30 am two business days earlier.

The after-hours' announcement of the eagerly-awaited banking figures for mid-May prompted an easier late trend in the Gilt-edged sector, but had little impact on the equity leaders which held on to initial small improvements.

After a dull and nervous start, when prices eased a little on 1, and occasionally rose on 2, the market closed with a small bear closing and at the official close earlier losses were replaced by widespread gains ranging to 1. The late tone, however, was soon affected by a poor reception to the banking figures.

By way of contrast the majority of the equity leaders closed around the day's best. Scattered small offers were seen on 1, while the odd useful buying order and the FT 30-share index gradually edged higher during the course of the day to close with a gain of 0.2 at 477.7. The volume of trade, however, again left much to be desired; official markings of 4.64 showed no change on Monday's and very little on the week-ago 4.57.

Elsewhere in the equity sectors, bid speculations were again evident and overseas-based stocks often made progress in line with a fresh advance in the dollar premium. Investment Trusts, particularly those with an American content, also recorded some useful gains, interest here being enlivened by the sharp overnight improvement on Wall Street; the FT Actuaries index for the sub-sector gained 0.9 per cent to 390.23 compared with a rise of 0.5 per cent to 216.71 in the All-Share index.

Gilt rally halted

A technical rally in the Gilt-edged market quickly came to a halt yesterday when the banking figures for mid-May became known. Sentiment in the earlier dealings was again uncertain, but the covering of bear positions after the recent downward drift pushed the market to higher levels. By the official close, initial losses were more than recovered and prices were showing improvements ranging to 1, in the shorts and to 1 in the later maturities. The final tone, however, turned distinctly dull and opening quotations were expected to be lower today.

From Monday's lowest total so far of 250 contracts, the numbers of deals in London Traded Options yesterday improved to 369. The volume of trade again left much to be desired but Land

Securities claimed a good deal of attention following the results and were the most active with 83 contracts recorded, while Court-aids were close behind with 82 followed by Shell, 59, and GEC.

Behind Wall Street, advised buyers came again for the investment currency premium and helped to push the rate forward again in the conditions of close 1.12 per cent, a rise of 3 on the day. Yesterday's conversion factor was 0.6763 (0.6868).

The expected follow-through in demand for C. D. Bramall failed to materialise and in a relatively quiet trade the shares firmed 2 to 50p compared with the placing price of 75p.

Comp. Insurances up

Publicity given to a broker's bi-annual review helped Composite Insurances to make headway. Royal put on 5 to 56p and General Accident added 4 to 218p. Elsewhere, C. E. Heath hardened 3 to 270p as did Willis Faber, to 285p, while Pearl put on 4 to 242p.

Late publication of the mid-May banking statistics failed to stir the major clearing Banks which had traded quietly around overnight levels throughout the day. NatWest closed 2 dearer at 272p and Midland 3 better at 338p. Reflecting investment currency premium influences, foreign issues made good progress: Algemene added 20 to 124p and Deutsche gained 12 to 114p, while Hong Kong and Shanghai ended 1 at 250p.

Still anticipating a potential bonus from Bass Group, the company's Highland Queen brand, Macdonald Martin Distilleries rose 30 to 450p for a three-day gain of 80. Amalgamated Distilled Products, however, eased to 36p before closing 4 cheaper on balance at 38p. Breweries were idle at 38p. Breweries were

hardened 3 more to 113p, while Pritchard Services edged forward 11 to 371p in response to the chairman's encouraging statement. A shade easier at 235p ahead of the preliminary results, De La Rue rallied 1 to 237p on the announcement to finish a higher on the day at 333p. Grosvenor continued its climb to 34p, up 2, and Morgan Crucible picked up 4 more to 113p. Reflecting Wall Street influences, Dover Corporation rose 2 to 238p and Franklin Mint gained 30 to 845p, while the firm's investment currency premium prompted gains of 4 in Jardine Matheson, 240p, and Hutchison, 85p. London and Robbins on the other hand, cheapened 6 to 32p in reaction to the disappointing annual results and Wedgwood declined 11 to 231p for a similar reason. The announcement that two directors had substantially reduced their shareholdings unsettled Valsor which touched 45p before closing a penny easier on balance at 44p. Camrex shed 10 to 849 following the chairman's profits warning and Sonthey Park relinquished 3 further to 287p.

Proceedings in Motors and Distributors were enlivened by the strong performance of Heron Motor which jumped up to 130p from 97p on a profit warning. Roberto hardened 10 to 101p as did Reliance to 91p. Rover 2000 closed at 133p after dipping to 132p following the figures. Other London-registered Financials closed barely changed. South African Financials showed some improvement on Channel Islands Capital improved

192p, and Unilever, 520p, both closed with gains of 4, while Press comment on the better-than-expected annual results helped Metal Box to firm 3 more to 313p. Wall Street influences were behind a gain of 250p in Rank Organisation. Elsewhere, speculative buying fuelled by take-over suggestions helped United Carriers stand out with a jump of 11 to 80p, while buying of a similar nature left Northern Hts up 6 at 53p. Office and Electronic also met speculative support and

the industry's prospects. Dana Corporation hardened 5 to 234p. Wadham Stringer held at 45p following news of its decision to take on a Vauxhall/Bedford main dealership.

In newspapers, Thomson closed 7 to the good at 255p in response to the chairman's confident remarks concerning future earnings, and News International found support and rose 5 to 243p. Elsewhere, McCorquodale put on 3 to 273p ahead of today's figures and Usher-Walker rose 3 to 35p on renewed interest in a thin market. In contrast, speculative efforts Mills and Allen shed 10 to 135p.

Properties passed a quiet session awaiting the annual figures from Land Securities which stood a couple of pence higher at 215p before the announcement, but immediately eased to 212p on it before rallying to 217p and closing 2 up on balance at 215p. Hammersom "A" firmed 5 to 380p, while Bradford and Great Portland Estates added 2 apiece to 225p and 302p respectively. The last named has results due mid-June. Melrose Securities were marked 15 higher to 220p, small interest in a restricted market, but recent speculative favourite Properly Partnerships reacted 4 to 116p on profit-taking.

Oils were again neglected but Wall Street advances prompted a rise of 10 to 56p in British Petroleum, while Shell added 7 to 561p in response to Government approval for the plan to exploit the North Sea Fulmar Field. Stebco UK attracted revised speculative interest and rallied 25 to 383p and similarly, Oil Exploration rose 18 to 256p. Investment dollar premium issues were less responsible for strength in Range Oil which added 2 to 223 and in Royal Dutch which closed a point higher at 546.

Small buying in anticipation of Heron's preliminary figures lifted Harrison's and Crosfield 12 to 462p, while S. and W. Beriford were raised 5 to 135m ahead of next Thursday's results. After the recent sharp fall on the Tanzanian situation, Lonrho eased fresh to 59p before closing without alteration at 50p. James Finlay were slightly easier at 343p following the results and capital proposals.

Overseas issues made the running in a firm Investment Trust sector on a combination of Wall Street and currency influences. Arco Investments rose 1 to 142p, while Selected Risk Fund, 845p, and US Trust Fund, 645p, not on 31 apiece. Roberto hardened 10 to 101p as did Reliance to 91p. Rover 2000 closed at 133p after dipping to 132p following the figures. Other London-registered Financials closed barely changed. South African Financials showed some improvement on Channel Islands Capital improved

20 to 540p. In Financials, renewed speculative interest left London European 2 up at 25p. P and O Deferred dominated proceedings in Shipping, closing 3 better at 100p, after 101p, following a good two-way business in front of today's annual meeting.

Higher earnings failed to sustain Parkland "A" which eased 3 to 78p in quiet Textiles. Nova Jersey, recent speculative favourite, lost a like amount at 47p, but William Reed edged forward a penny to 90p on the chairman's statement on future trading. BAT Industries provided a solid spot in Tobacco, rising 3 to 335p, following a similar meeting. In contrast, speculative efforts Mills and Allen shed 10 to 135p.

The early-morning announcement that the bid from Harrison's and Crosfield had been made unconditional led to a rise of 6 to 56p in Harrison's. Malaysian Estates, Gathie, cheapened 3 to 171p, while Sentraut rose 2 to 352p, while Yukon Consolidated continued to gain ground and closed 5 to the group at 142p.

In Coopers, Minorco advanced 10 to 145p. The following securities quoted in the Stock Exchange section yesterday attained new Highs and Lows for 1978.

FINANCIAL TIMES STOCK INDICES

	June 6	June 5	June 4	June 3	June 2	June 1	May 31	May 30	May 29	May 28
Government Secs.....	68.83	68.79	69.36	69.90	70.13	69.92	70.13	69.92	70.13	69.92
Fixed Interest.....	70.45	70.42	71.13	71.10	71.10	71.10	71.10	71.10	71.10	71.10
Industrial Ordinary.....	477.7	474.5	475.0	475.0	475.0	475.0	475.0	475.0	475.0	475.0
Gold Mines.....	165.9	164.0	152.7	152.7	152.7	152.7	152.7	152.7	152.7	152.7
Oil Div. Yield.....	5.53	5.53	5.53	5.53	5.53	5.53	5.53	5.53	5.53	5.53
Securitas ("Piggybank").....	161.3	162.2	161.7	164.5	164.5	164.5	164.5	164.5	164.5	164.5
P/S Ratio (excl. P/L).....	8.29	8.24	8.27	8.19	8.19	8.19	8.19	8.19	8.19	8.19
Dealing marked.....	4,544	4,644	4,938	4,851	4,742	4,742	4,742	4,742	4,742	4,742
Equity turnover (excl. P/L).....	35.40	37.98	36.53	36.29	36.29	36.29	36.29	36.29	36.29	36.29
Equity bargains total.....	14,359	14,366	14,374	14,264	14,264	14,264	14,264	14,264	14,264	14,264
10 am 474.5	11 am 474.5	10 am 474.5								
Latest Index.....	474.5	474.5	474.5	474.5	474.5	474.5	474.5	474.5	474.5	474.5
Basis 100.00. Comp. Secs. 147.00. Price 147.00. Ind. Ord. 174.00.										
Mines 12.575. S.E. Activity July 30, 1978.										

HIGHS AND LOWS

S.E. ACTIVITY

	1978		Compilations	
	High	Low	High	Low
Govt. Secs....	68.58	68.78	127.5	49.18
Fixed Int.	70.75	70.45	130.8	49.18
Industrial Ordinary.....	477.7	474.5	475.0	475.0
Gold Mines.....	165.9	164.0	152.7	152.7
Oil Div. Yield.....	5.53	5.53	5.53	5.53
Securitas ("Piggybank").....	161.3	162.2	161.7	164.5
P/S Ratio (excl. P/L).....	8.29	8.24	8.27	8.19
Dealing marked.....	4,544	4,644	4,938	4,851
Equity turnover (excl. P/L).....	35.40	37.98	36.53	36.29
Equity bargains total.....	14,359	14,366	14,374	14,264
10 am 474.5	11 am 474.5	10 am 474.5	10 am 474.5	10 am 474.5
Latest Index.....	474.5	474.5	474.5	474.5
Basis 100.00. Comp. Secs. 147.00. Price 147.00. Ind. Ord. 174.00.				
Mines 12.575. S.E. Activity July 30, 1978.				

NEW HIGHS AND LOWS FOR 1978

	1978	1977	LOANS (1)
British Funds (1)			LOANS (1)
Foreign Bonds (1)			LOANS (1)
Companies (1)			LOANS (1)
Bank (1)			LOANS (1)
Building (1)			LOANS (1)
Chemicals (1)			LOANS (1)
Drilling (1)			LOANS (1)
Electricals (1)			LOANS (1)
Engineering Contractors (1)			LOANS (1)
Financials (1)			LOANS (1)
Industrial (1)			LOANS (1)
Mechanical Engineering (1)			LOANS (1)
Metal and Metal Forming (1)			LOANS (1)
Consumer Goods (DURABLE) (5)	196.89	195.88	195.88
LL Electronics, Radio TV (15)	230.40	187.7	187.7
Household Goods (12)			



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FT SHARE INFORMATION SERVICE

BONDS & RAILS—Cont.

1978 High Low	Stock	Price	Yield	Div.	Net	Ctr.	Yld.	PE
707 High Low	Stock	Price	Yield	Div.	Net	Ctr.	Yld.	PE
708 100.00	Treasury 10-1982	100.00	10.48	9.00	9.00	100.00	10.48	100.00
99.50	Exch 5pc 75-81	98.00	8.82	8.00	8.00	98.00	8.82	100.00
101.00	Treasury 11-1982	101.00	11.15	9.00	9.00	101.00	11.15	100.00
97.50	Exch 5pc 75-81	95.00	8.46	8.00	8.00	95.00	8.46	100.00
101.00	Treasury 10-1982	100.00	10.45	9.00	9.00	100.00	10.45	100.00
95.00	Exch 5pc 75-81	92.00	8.82	8.00	8.00	92.00	8.82	100.00
102.00	Treasury 5-1980	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	95.00	9.65	8.00	8.00	95.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00	Treasury 3-1982	92.00	9.65	8.00	8.00	92.00	9.65	100.00
102.00	Treasury 3-1982	102.00	12.27	10.65	10.65	102.00	12.27	100.00
95.00</								

